FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

OCTOBER, 1929

The Tariff Bill and Our Friends Abroad	*F. W. Taussig*	1
European Reactions to American Tariff Proposals	*André Siegfried*	13
Navies and Peace:		
A British View	*Philip Kerr*	20
An American View	*Charles P. Howland*	30
The Economics of Indian Unrest	*Sir Basil Blackett*	41
The Russo-Chinese Conflict in Manchuria	*K. K. Kawakami*	52
The New Test for British Labor	*Harold J. Laski*	69
Is Communism Spreading?	*Emile Vandervelde*	84
Our Mexican Immigrants	*Glenn E. Hoover*	99
Oil Legislation in South America	*Sir Arnold Wilson*	108
Venizelos Again Supreme in Greece	*Hamilton Fish Armstrong*	120
South Africa After the Elections	*Jan H. Hofmeyr*	130
Russia and Constantinople: Count Kokovtzov's Evidence	*Michael T. Florinsky*	135
A Naval Yardstick	*H. L. Vickery*	142
The Nile Waters Agreement	*Pierre Crabitès*	145
Trade Rivalries in Argentina	*H. Hallam Hipwell*	150
Some Recent Books on International Relations	*William L. Langer*	155
Source Material	*Denys P. Myers*	168

HAMILTON FISH ARMSTRONG

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The Editors.

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FOREIGN AFFAIRS

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THE TARIFF BILL AND OUR FRIENDS ABROAD

By F. W. Taussig

TARIFF legislation is a perennial source of international distrust and irritation. Almost all countries proceed as if international trade meant not mutual gain but rivalry in grasping an advantage. Rarely, almost never, does it occur to the tariff expert or commercial negotiator that by imposing high taxes you may burden your own people. Such a person would readily grant, as everyone will, that imports are paid for in the end by exports, and that exchange between nations, like that between different regions within a country, is advantageous to both sides. But when it comes to commercial negotiations or customs legislation, all this ceases to have any significance. I recall vividly that in 1919, when I had to do with the provisions of the Treaty of Paris relating to duties and commercial arrangements, it was quite useless to talk to the negotiators about any principles applicable to this matter, or to ask whether a country is always necessarily the better for checking imports or making sure that another country takes your exports. It is depressing that the same attitude persists in times of settled peace. The phraseology of war is constantly used in discussions of commercial relations. We hear of attacks upon domestic industry, defense against foreign aggression, industrial invasion, boring from within, the conquest of markets. One is almost ashamed to speak of mutual gain, friendly coöperation, emulation that stimulates to betterment all around.

A further cause of misgiving to the cool-headed observer is the constant exaggeration of the importance of international trade. It was so in Paris; all the negotiators were fearful lest some cranny should fail to be closed, some chance to insinuate your own goods should fail to be opened. An increase of imports was spoken of as the direst thing that could happen, and an unfavorable balance

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of trade as if it put a country on the road to ruin. In the United States there is not only this, but an almost craven fear that our general prosperity and our high wages will be undermined if we admit foreign goods even a little bit more freely. There is, too, an absurd notion that any lowering of duties will lead to crises, panics, depressions — a bugaboo dragged out at every election. Economists may be unanimous in declaring all this to be nonsense, but the outcry is persistent and apparently effective.

The prophecies of complete collapse from lowered duties do not indeed seem to be so vociferous in European countries. There one hears more about the importance of the trade balance and the need of fostering the export market. I will not stop to consider just what modicum of validity there is in this point of view, or what the trade balance may mean in the case of a country which has to make great international remittances of an unusual kind, such as those called for by the reparation annuities and the repayment of the Allied debts. To this last special problem I shall turn later. What I wish to remark at this point is merely that the whole matter looms big in everyone's view, and is a great and unceasing cause of ill feeling, suspicion, resentment.

To come now to the situation with which we are confronted in the pending tariff legislation of the United States. There is exaggeration, within the country and without, of its substantive importance. Other countries may not exaggerate as much as we do, but all make a great ado.

A word, first, as to those parts of the pending tariff revision that are concerned with the duties on agricultural products. The changes which are proposed signify little within the country; they signify least in our dealing with European countries. For the last sixty or seventy years, ever since the Civil War, we have had duties in the several tariff acts which signify nothing; words on the statute book meant merely to pacify the farmers. The increased duties now proposed on corn and on pork and pork products are precisely of this kind; empty gestures, no more. Such things are exported, not imported, and quite unaffected by import duties. True, the agricultural situation at large has changed somewhat during the last decade. There are occasional imports of wheat from Canada, petty consignments of corn from the Argentine, small dribbles of butter from Denmark, New Zealand, Canada. Cattle have been brought in, chiefly feeder cattle from Canada and New Mexico; a movement which is probably temporary, and

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presents some problems too complicated for discussion here. In the eagerness to do something for the farmer, to conciliate him and bring him within the magic circle of beneficent protection, there have been duties upon petty items such as onions, peanuts, dried eggs, almonds, walnuts. The essential futility of these things is being understood by the farmers themselves, and they are asking for measures less delusive, such as the debenture plans, devices for export bounties, government action quite different from tariff legislation.

There are some parts of the duties upon agricultural products which mean more. Most important of all are the two items of wool and sugar. The system of wool duties is a *fait accompli*, and no one proposes now to reduce them or increase them. Sugar is a storm centre. But so far as our foreign relations are concerned, the proposed changes affect Cuba alone; and our relations with Cuba, important though they are, present questions very different from those that enter into our relations with European countries. The one independent and self-reliant country for which the proposed increases of duty are not merely a cause of friction but have substantive importance, is Canada. There is no case in which complete freedom of trade for the staple agricultural products and the fundamental raw materials is so fully justified as in our trade with Canada. Its substantive importance, however, lies not so much in its effects on agricultural production or profit at large, as in its equalizing and stabilizing effect on seasonal fluctuations and on local trade (across the border) both ways. Our much debated duties on wheat, for example, stand in the main for a restriction upon the equalization of seasonal fluctuations. When crops of hard wheat are bad here, Canada makes up our deficiency; when crops are bad in Canada, we make up the deficiency for the United States and help to make it up for the world at large. It would be going too far afield to enter on any detailed discussion of our trade with Canada; it is great in volume, mutually beneficial if ever any trade is, and politically of pregnant importance. For many years we have treated Canada much as a big bully treats the smaller boy. Those Canadians who have championed friendship with us have had no easy task in enlisting their countrymen, and our intolerant tariff policy makes it harder and harder for them to preserve the good relations.

It is the situation as regards manufactured articles from European countries to which I wish chiefly to call attention. Here,

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too, there is exaggeration on both sides; and here most of all we find irritation, suspicion, resentment.

As regards the substantial consequences of proposed *increases* of duty, we must remember that there is an established situation, to be reckoned with once for all. Our manufacturing industries have been long and heavily protected, and they have adjusted themselves accordingly. Many of them do not need protection; and those that still do, have been so shielded from foreign competition that imports have completely ceased. The bulk of the textile manufactures — woolens, cottons, silks; the iron industry in almost all its ramifications; glass and pottery; chemicals since the war and the Tariff Act of 1922 — these are either so fully protected against foreign competition, or so completely independent of any protection at all, that a further advance in duties means nothing. The broad facts of the situation are that a further extension of the protective system can bring no great change in our manufacturing industries or in our imports of manufactured goods from foreign countries.

There are cases to which this general statement does not apply; and these cases, though of minor consequence for American industries as a whole, loom up large in our relations with European countries. In almost every large manufacture, even in those in which we have made the most astonishing advances, such as the iron trade, there are individual articles which for one reason or another continue to be imported. Sometimes it is a case of geographical situation and consequent transportation advantage or disadvantage. Water transportation to the Gulf ports or to the Pacific coast makes it possible that some steel rails may be landed there instead of coming by the more expensive railroad route from Pittsburgh. Some scraps of imports of pig iron come to the Atlantic seaboard for similar reasons. In other cases — and these are the more frequent and representative — the explanation of the continuing imports is different. It is connected with the general character of the American industry. We do well in mass production and in standardized articles. We are proud of it, promote it, proclaim its advantages to the world. But plenty of things cannot be standardized and cannot be made in great volume. The very fact of our success in mass production tends to turn our productive forces away from the non-standardized sort. Specialized articles in great variety continue to come in from European countries. Though no single line makes a

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large volume, all in all they mount up to sums by no means inconsiderable.

There are two groups of articles on which our duties have been steadily rising in recent years, and on which the pending measure pushes them still higher. First there are the specialties, or special qualities, within the range of those great industries whose products in the main are standardized — nooks and corners where mass production is not feasible. Of these I shall say more presently. Second, there are articles not clearly within the range of any of the great industries. Sometimes they are things made in small lots, calling for relatively much hand labor, and with a comparatively limited market. Sometimes they are novelties, in the stage of risk and uncertainty, their prices and profits not yet smoothed by competition. Not a few of them may well tax the philosopher's patience — odds and ends that cater to vanity, fashion, prejudice. Such are perfume bottles, "human hair products," corsets and brassières, fine laces, dolls plain and dolls absurdly elaborate. One can conceive that an impatient Diogenes would prohibit these trifles once for all. But the protectionist does not want a prohibition against their production and use; he merely wants it all done within the country, by domestic industry. Of course there are also things that signify more in the human scheme and will be valued by the philosopher, which also bother the relentless protectionist because he finds that he must impose higher and higher duties if they are by all means to be made at home.

Let me illustrate with some details from the tariff bill as passed by the House of Representatives and as now (August, 1929) under consideration by the Senate Committee on Finance.[1] Perfume bottles go from 55 percent to 65 per cent. Imitation pearl beads go up from 60 to 75 percent. Artificial fruits and flowers, formerly dutiable at 60 percent, are now made dutiable at 90 percent. Fish hooks and artificial flies, formerly 45 percent, go up to 55 percent and 65 percent. Smokers' pipes, now dutiable at 60 percent plain, are to have 60 percent plus a specific duty of 5 cents each. Similarly, tooth brushes, which were duti-

[1] Since this was written, the Senate Committee on Finance has made its report on the bill to the Senate, recommending sundry changes both in the way of reduction and of increase from the House rates. Further changes will unquestionably be made by the Senate itself, and later by the Conference Committee between Senate and House, when that Committee whips the measure into definitive shape. The comments and illustrations of the text indicate the drift of things. No one can foresee what will finally prove to be the duty on any article or series of articles.

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able at 50 percent, now go to 50 percent with an additional 2 cent specific duty per piece. Lead pencils that used to be 45 cents per gross plus 25 percent, are to be 60 cents per gross plus 35 percent. The legislator combats the invasion of the dollies with a heavy hand. "Dolls and doll clothing, composed *in any part, however small*, [italics mine] of any of the laces, fabrics, embroideries" [defined more carefully in a later section] are now made dutiable at no less a rate than 90 percent. Ordinary dolls, and toys in general, are not dealt with quite so unmercifully; they remain at the existing duty of 70 percent. There is an accentuation of the duties upon various kinds of scientific instruments. Optical glass goes up from 45 percent to 55 percent. Spectroscopes and the like are subject to 60 percent (a new provision). Surgical instruments, formerly 45 percent, are now 70 percent. Biological, chemical, and surgical glassware goes up from 65 percent to 85 percent; and it is dutiable even though used in hospitals and universities.

To go back now to the major industries. Here there is a familiar experience in the development, or accretion, of tariff duties. First, high rates are imposed on cottons in general, woolens in general, silks in general. In the main they succeed in attaining the object proposed. Imports are cut down, domestic production grows. As time goes on, it appears that there are some specialties or grades which continue to come in. Usually they are things made in small lots, with a limited market — not adaptable to mass production. Then ensue endeavors in the successive tariff acts to stop these continuing imports. Year after year the rates go higher and higher, with the object of keeping out the persisting driblets. This process goes on in the pending bill. In the range of silk products, for instance, the rate on velvets, which was 60 percent, now is to be 70 percent and 75 percent. Certain kinds of silk fabrics, in the way of garters, braces, cords, go from 55 percent to 65 percent. On all the rayon fabrics there is a new rate of 70 percent. In the metal schedule, electric apparatus gets a new duty of 40 percent. Pliers and needles are more highly taxed. Clocks, watches, cases, movements, are subject to a new and elaborate system of higher duties; and taximeters get a special fillip of 85 percent. China and porcelain, already dutiable at 60 percent (if white), now go up to 60 percent plus a specific duty of 10 cents per dozen pieces. Tiles, in the same way, go up from 50 percent to 60 percent, with some specific duties that range even higher. China ware has been a bone of contention for half a century or

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more. Notwithstanding very high duties, imports continue to come in, and the domestic product continues to be negligible, for the simple reason that it is, in the main, a specialized product not suited to American methods, and moreover not provided with any satisfactory supply of domestic raw material. By way of good measure, and by way of tightening the protective system all around, there are advances in the dragnet provisions — the rates of duty on articles n. o. p. (not otherwise provided for). Metal manufactures not elsewhere specified, for instance, formerly had a duty of 40 percent and are now to be subject to 50 percent. Manufactures of gold, silver, or platinum are to go up from 60 percent to 65 percent. In no one of these cases are the imports of great importance, and in no one of them does the proposed increase of duty make much difference for the bulk of the industry concerned. They are attempts to fill cracks and crannies.

The reader will observe that the rates instanced are chiefly of ad valorem duties. They have been singled out for attention partly because their meaning is easily seen. In order to understand what a specific rate means, one must know the current price of the commodity as well as the stated duty. Ad valorem duties tell their own tale. In the good old days, half a century ago, when the protective system was still in the early stages, a rate of 25 percent was thought as much as might be asked, and 35 percent was already on the defensive. When, for example, the present system of duties upon woolen goods was settled on, shortly after the Civil War, a net protection of 25 percent was supposed to be the reasonable thing. We have changed all this; in each successive measure, about once in every six or eight years, an additional five percent or so has been put on. On woolen goods the maximum rate of protection had gone up to 50 percent ad valorem before the Great War. In the pending bill it is to be 55 percent and 65 percent. Until within very recent years the legislator would have hesitated long before putting upon the statute book a rate as high as that 60 percent. In the Tariff Act of 1922 there were already rates considerably higher, and there are now plenty of cases in which figures of 70, 80, or 90 percent are overtly proposed. The round figure of 100 percent has not yet appeared; perhaps it is thought too unblushing.

High ad valorem duties have a peculiarly bad effect in our relations with foreigners. They are the most prolific sources of irritation. So long as the rates are moderate, say not above 30

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percent, they are not troublesome. But when such a range is reached as is now common in our tariff legislation — 60 percent, 70 percent, 80 percent, 90 percent — the situation becomes well nigh intolerable to other peoples.

The source of special resentment is in two directions. Almost of necessity the high ad valorem rates are applied chiefly to those specialties which cannot be made by standardized mass production and to those special grades which do not lie within the ordinary range of the great staple industries — in other words to the goods which our foreign friends still have some chance of sending to us. It is a commonplace that specific duties can be applied most readily when the goods can be described or classified by external marks; the several grades of cotton cloth, for example, differentiated according to the number of the yarn. When there are gradations of quality not thus definable, resort is made to ad valorem rates; as on the velvets, or the scientific apparatus, the artificial flowers, the poor dollies. These are hit by ad valorem duties, and it is their steady increase in the successive tariff acts from 1883 to the present time which marks the more and more rigorous protectionist policy, and causes more and more resentment.

The second reason for irritation is that such high ad valorem rates necessarily lead to attempts at undervaluation and evasion, which in turn lead to draconic endeavors to prevent evasion. A duty of 50 percent on the value of an article puts a large premium on making it appear that the value is low. The temptation becomes progressively stronger, and indeed almost irresistible, as the figures go up to 60, 70, 80, 90 percent. Such rates always lead to some downright fraud and perjury, and even more to manipulation in such way as to keep within the letter of the statute and yet circumvent the high duty. And then our government makes its rules more and more drastic, sends agents abroad to see what dodges the exporters are up to, organizes appraisers and inspectors and a whole great staff of customs supervision, threatens fines, penalties, confiscation. It is a long and dreary story, familiar to all who have paid attention to the machinery of collection. The protectionist feels that he has been cheated out of his due, and is then led to try not only to get his due, but good measure and more to boot. Hence the movements for American valuation, United States valuation, increase of penalties, and what not. The government officials are baffled, must keep within the letter of the statutes, are never quite certain what construc-

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tion will be put upon those statutes by the courts, often at heart ashamed of being stringent and almost insulting with honest men, at other times aroused to battle with the dishonest. And through it all the foreigners feel that they are at the mercy of an incomprehensible and preposterous game.

The question of substantive effects, to which I now turn again, seems to me not so important as might be inferred from what is being said on both sides. The present imports from European countries are not likely to be seriously affected. In general they are things to which much hand labor has been applied, not made on a large scale with power and machinery. Among the miscellaneous items, some are particularly cheap, some are particularly dear; the poorest instruments and tools, and again the most exquisitely delicate. Often they present curious economic problems, being the results of eddies and cross currents that are outside of the usual channels of trade. Their importation has a way of persisting even in the face of duties very high.

Of course, when new and still higher duties on such articles are put on, they are not without effect. The domestic producer who wants to make one of them may succeed in getting the Congressional Committee to put through the precise kind and size of duty that will enable him to displace the foreigner. But often he will find that the imported article is not of the sort easily made with profit in a country where the great-scale industries are bidding high for good labor and keeping up the wages of good men. And quite probably he will find that by the time he has laboriously learned it all, set up an ambitious plant, and got ready to supply the market satisfactorily and in quantity, tastes and fashions have changed. "Something different" is wanted. Rapid adjustment to shifts in demand is not among the characteristics of a country with large plants and standardized ways. The fact that we all do wear the same clothes and hats and shoes, read the same vapid periodicals, are all as alike as peas, makes us the more ready for some novelties — more eager to show that, like the peas, we are not identically the same. What with the varied aspects of demand in a country of great and growing numbers and wealth, the persistence of demand for some of the old and approved articles on the import list, the emergence of new ones, the real and continuing advantages which other countries possess for one article and another — all things considered, the total volume of imports from Europe is not likely to be lessened.

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The large outlines of the existing situation will be unaffected, and international trade will go its course much as before.

Something of the same sort can be said of the other aspect of the situation which, as I have already intimated, is given exaggerated attention — the relation of tariff changes to the payments which European countries have to make us on account of the inter-Allied debts. They do raise some questions of their own; but here too the direct economic effects are often overemphasized.

Recall the outstanding features of our trade with European countries. We have long exported to them more than we have imported from them, and have long received by a roundabout process the goods which come to us in return. While we have sent to European countries an excess of exports, they have exported largely to South America, Japan, the Orient; we then have received our own imports from these scattered regions. The process has been accentuated during the last half-century by the influence of our protective system in checking direct imports from Europe. But it has been no more than accentuated, not created or radically modified. The goods which have come to us by this roundabout trade have been in the main articles on our free list, such as coffee, tea, rubber, raw silk, jute — a variety of tropical and semi-tropical products. The same sort of triangular trade will go on; and it is by this sort of trade that the strictly economic consequences of the debt payments will work themselves out. In saying this, I look of course to the permanent and abiding relations. Our loans to foreigners on investment account, if continued (who can say how long they will be, or in what volume?) obviously must be taken into account; they may for a time modify the situation. It may be modified also, though even less as regards the essential outcome, by temporary shifts in bankers' balances, and by changes in our international payments arising from greater or less expenditures by tourists.

All these qualifications, familiar enough, mean little as regards the way in which the debt payments will affect our international trade over the long series of years through which they will run. The trade will remain much the same in general character. The European countries will export to us directly as much as before, and indeed somewhat more than before; perhaps with a check for a year or two when higher duties are imposed, but with a return to the previous amount before long, and soon, likely, with a volume

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even greater. But the added exports which they must make to meet the debt charges will go chiefly to other countries, and it is from these countries that we will receive the goods that constitute our real receipts. The increase in our own imports will thus be in those very things which already bulk largest in our trade — the tropical goods which are free, with some raw materials like wool on which no advance in duties is contemplated. In the main the effects of the whole series of transactions will run in the same great currents as in our present international trade.

No doubt this maintenance, or rather enlargement, of existing relations is made more difficult by another course of policy which we are following. We are as much set as everybody else on enlarging our exports and especially those of manufactured goods. We are trying to develop markets in South America, Central America, Australasia, the Orient. Our Department of Commerce eagerly searches out every possible chance to promote sales of American goods abroad, and points with pride to an increase of American shipments into the outlying regions. Obviously, so far as we displace the European exports to those regions, to that extent we put an end to the main source from which the payments to ourselves from the debtor countries must come. We cannot prevent European goods from coming to us direct, then substitute our own goods for theirs in the countries whence we do admit imports — and then say to our debtors, you must send us something or other! We cannot always sell and never buy, always increase our exports and always keep down our imports. Here again it must be remembered that, like everything else in our experience, these things are relative. It is quite conceivable that we shall increase our exports to South America, Central America, the Orient, and even to European countries; and these latter may also increase their exports in the same direction, as well as increase their direct exports to ourselves. With the increasing cheapness of transportation between countries and within countries, all commerce increases by leaps and bounds, and expansion in one direction does not necessarily mean contraction in another. But we must accept the fact that somehow or other there must be relatively larger exports from the European countries with whom our debt settlements are to be carried out. All that is important for the present discussion is that the mere accentuation of a tariff policy already carried to an extreme will not greatly obstruct this tendency.

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Needless to say, one can minimize regarding these probabilities as well as exaggerate. Unremitting advances in our tariff rates will cut down one or another of the items which come to us direct from our debtors. Even though the changes may not be great in proportion to our total imports, and the general growth of international trade cause the imports to grow as a whole, they will be less than they would otherwise have been. Individual producers in this country may be enabled to make more and profit more, and individual concerns in foreign countries may be hard hit. Changes which make hardly a ripple in the volume of imports as a whole will be of vital concern to the persons directly concerned on both sides, and to their public representatives — our Congressman and Senator, the foreign trade official in Europe. And they deserve careful examination, if only for the light they throw on the purpose and spirit of our proceedings.

In all these matters, it is the direction in which we move that chiefly counts. At the present juncture in international affairs, more depends on the spirit which we show than on the precise things which we do. The Kellogg treaty is perhaps, as some of its critics say, no more than a gesture. But it is a noble gesture, and points the way in which mankind should think and the direction in which we should move. So with the disarmament negotiations. It makes no great difference just how we figure on parity between different ships and different ordnance. But it makes all the difference in the world whether we proceed whole-heartedly on the supposition, the expectation, and the fervent wish, that peace is to prevail in the future, not war. Everyone who has meditated on the underlying causes of international friction and combat cannot but feel that it is the spirit which signifies. We must have a new and better attitude toward foreign countries. We must dismiss the language of war when we speak of our intercourse and trade with them. Something other than suspicion and enmity must sink into our hearts. It is from this higher point of view that we may well consider, not only the peace treaties which we are invoking and the disarmament which we promote, but our commercial policy as well. Shall we continue to suspect, to fear, and to cultivate fear? To treat the foreigner from whom we get goods as always an enemy and an intruder? To circumvent him, bully him, rouse his resentment and his irritation? Or shall we treat him as we wish to be treated ourselves? Here too it is the spirit that signifies.

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EUROPEAN REACTIONS TO AMERICAN TARIFF PROPOSALS

By André Siegfried

THE prospect of a new American tariff — and we have come to know what that generally means in increased duties — has attracted wide attention in Europe; it has also produced various reactions which may be considered as expressing the consciousness of a closer European unity. In point of fact, a highly protectionist American tariff is no new thing, and certainly this is not the first time that we see Europe roused in protest against the Chinese wall which the United States more and more efficiently is building around its frontiers: I can well remember similar storms, in 1890 when the McKinley tariff was voted, and in 1897, 1909 and 1922, when the Dingley, the Payne-Aldrich and the Fordney tariffs were passed.

This time the reaction is in itself not very different, but there are at least two new facts which plainly make the relationship of Europe and America a new one.

The first is the now manifest vulnerability of the United States as compared with its previous complete immunity to economic retaliation. At the time of the McKinley tariff it mainly exported foodstuffs and raw materials (raw cotton, wheat, meat and oil made up about three-fourths of the total) and no retaliation was possible against such articles. This was the reason why the United States often found itself able to obtain the benefit of minimum tariff conditions while only granting — should I say the benefit of a general tariff? We in Europe needed the new continent as a provider of primary products and the new continent did not need us at all; at least it was sure to have us as a market, since only too obviously we could not do without its exports. But this now has ceased to be true. Manufactured goods constitute over one-half of present American exports, and against them retaliation is possible, a fact of which Europe is well aware and which may in the long run contribute to modify the spirit of traditional American tariff policy.

The second fact — for I feel entitled to call it a fact — is the closer union of Europe. As everybody knows, Europe before the war had hardly more of a sense of unity than China. In the Middle Ages there had been a real unity of Christian Europe, and

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even in the eighteenth century there obviously was a strong sentiment of the unity of culture among Europeans. But it seems as if the nineteenth century had obscured the old world's consciousness of this, just at the time, too, when Europe in reality controlled the world. I can remember how when travelling around the world at the end of the nineteenth century I used to react as a Frenchman and also as a member of the dominant white race, but hardly as a European. Since the war, Europe's consciousness that it is a definite and articulate entity has been growing day by day, and what has contributed most directly to producing that sense of individuality has been the controlling position assumed by the United States. As far as I can see, what has impressed us is less the new and irresistible political power of America than the fact that a new civilization has arisen across the Atlantic, a civilization with a continent as its domain. By thinking of the United States in the terms of a continent we have been led to consider Europe in the same way, and we notice the personality of European civilization more than we did before.

In the west, indeed, we are witnessing something like the birth of a new age of the human race, with new methods of production which we in Europe feel we should adopt if we want not only to win but to survive. In that sense a certain Americanization of Europe is felt to be necessary in order simply to resist America. It was not such a very different problem that Japan was confronted with sixty years ago, when it decided to Occidentalize itself in order the better to resist the Occident. But Japan was alone and united, while Europe is numerous and divided against itself. The best she can do, at least for the present, is to make some sort of a coalition, and I am reminded of the phrase of General Sarrail, general-in-chief of the *Armée d'Orient* during the Great War, who said: "Since I command a coalition I admire Napoleon less."

The union of Europe seems to be as common a topic of discussion on the American side of the water as on the other. In the United States one frequently hears somewhat hasty generalizations about the unification of Europe. Many people speak of the United States of Europe as though an arrangement of that sort were a possibility of the near future — a sort of continental *Zollverein*. Now it is interesting to pause at this point to characterize the tariff atmosphere existing in Europe today. There is no sensible person, I think, who believes that the present European

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system of tariffs can long endure. Just after the war several British economists brilliantly and sensibly explained the absurdity of the Chinese walls which were being erected around the new states, some of which were often not larger than courtyards; but the influence of their arguments would have been greater if they had not exactly coincided with the interests of Britain, always in search of new and free markets. The League of Nations has been working in the same spirit for nearly ten years, but the result, as far as tariffs proper are concerned, has not yet been decisive or even material. When they gather in Geneva, the representatives of the various countries usually admit that tariff walls are exaggeratedly high, but their governments have not followed their recommendations. Some substantial results have been obtained by means of commercial treaties, but in general it must be admitted that frontal attacks against tariffs have failed.

In consequence, a tariff union of Europe still appears to be rather remote. It is contemplated by many, however, not so much as a possibility of the future as a necessity. When the 1927 Economic Conference met at Geneva, it was commonly said that it would be an anti-American conference. I attended its sessions from beginning to end and saw no such thing. The Americans were present and received a cordial reception. Yet it could not escape attention, especially in the second committee which discussed tariffs, that the Americans, as well as the representatives of several other non-European countries, appeared a bit isolated. It was not so much an opposition between Europe and the United States as it was a contrast of attitude between the countries outside Europe, richly endowed with natural resources, and the countries of Europe, in search of and in need of raw materials and foodstuffs. The United States, it was easy to see, was destined to find increasing difficulty in sustaining the position which it had adopted and forced other countries to accept since the time of the McKinley tariff. Of course nothing like a European tariff union was in sight at Geneva, but the birth of a common European point of view in respect of tariff policies was obviously taking place. Signs of the same process might be observed during the last meeting of the International Chamber of Commerce. After all, it is quite natural that countries where similar economic conditions prevail should sooner or later be led to feel and argue in the same manner. Although no practical step is imminent, then, the idea of a most favored nation clause,

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limited to Europe, may come up for discussion in the not very distant future.

But, as I said before, tariff walls are strong and are not likely to be overthrown by frontal attacks. As far as the construction of a united European economy is concerned, much more practical and ready results are to be expected from direct understandings between the manufacturers of different nations. It is no exaggeration to say that since the war the industrial cartels have been playing a dominant part in Europe. A better realization of the entirely new conditions prevailing since the armistice seems to have been vouchsafed the great manufacturers than the politicians, who are still permeated with the nationalist ideas of the past. The capitalists in general do not allow themselves to be led by sentiment, but rather by cold-bloodedly considering what methods will lead them to success. They may have been nationalists before and during the war. But the war, and especially the first post-war years, taught them many lessons. They have come to recognize that mutual understanding pays better than violence. The example of America, also, which practically all of them have studied, seems to have exerted an immense influence. They now know — or rather realize, because they knew it before — that the primary condition nowadays of cheap production costs is an extended market which you control and which allows you thus to standardize your production. The American market is made up of 120 million people, but in Europe (Russia excepted) there is no single market with more than 70 million customers. We in France have for a long time been under the handicap which lies in the fact that, with a domestic market of only 40 millions, we are obliged to make a practically unlimited number of models. In certain industries this fact may work as an advantage, but in all industries where standardization is a condition of success the existence of numerous small markets presents a difficult obstacle. That is why the advantage of making agreements across the frontiers cannot escape the attention of those captains of industry whose production is sufficiently centralized to allow such a policy. By agreeing internationally about the volume and conditions of their production, and also about their respective positions in the different markets, they to a certain extent artificially create the benefits of the large market which political circumstances have withheld from them. When producers have reached an agreement of this sort, it is plain that the question of the

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tariff loses much of its importance for them, since they have previously agreed about production and markets.

The impulse which during the last five years has given birth to such a great and constantly increasing number of cartels is obviously spontaneous, born out of the circumstances of the time rather than the conscious will of statesmen. Statesmen have known of the movement and approved of it, but they have in no way created it. Therefore, if the reconstruction of Europe comes that way, economic rather than political good-sense will have to be given the credit. And yet it should always be borne in mind that agreements between great capitalist interests would not have been possible if the moral and political atmosphere of Europe had not been favorable. From this point of view the changing of the political temperature which followed the end of the Ruhr occupation and the French elections of 1924 cannot be too much emphasized. A new era in European development certainly was initiated at that time.

It now remains to be seen what we mean by Europe. Some people conceive it without Russia and Great Britain; others insist that a merely continental Europe, without the Russians and the British, would be hopelessly incomplete. The first point of view has been brilliantly defended, but I hardly think it has won the support of the majority of European economists.

Russia is generally considered, at least in Germany and in France, as an indispensable organ in the European body. As a source of foodstuffs and raw materials it could not possibly be replaced, and scarcely more easily as a factor in the spiritual life of the old world. There is no natural boundary between Europe and Asia. If Russia offers herself as a link — which she really is — the advantage for Europe is obvious, but if she chooses to be a buffer or refuses to accept any solidarity with Europe, then we must conclude that the importance of Europe, reduced to being a small peninsula of Asia, will be permanently diminished. In brief, hope has not been given up that Russia will again find its place in the European community, though as to the methods and conditions of bringing this to pass any conclusion would be premature. All we know is that, while Russia is a link between Europe and Asia, Germany also is a natural link between Western Europe and Russia.

The case of Great Britain is no less interesting and important. Britain appears to be hesitating at the parting of two ways.

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Among the British, some believe and say that Great Britain could never sever itself from Europe — indeed that she is, especially since the war, a very part of Europe. Others contend that they should have the least possible to do with the continent and should turn towards the Dominions and the United States in order to build up what to all intents and purposes would be a union of English-speaking countries. In the event of that second conception being adopted, Great Britain would cease to be mainly European and would to a certain extent displace her center of gravity. Britain is far from having made up her mind on this important question, but her policy occasionally gives indications that she tends to one side or the other. Thus the hope of framing a customs union with the Dominions (although probably impracticable) seems to have been one of the main factors which kept the British out of the metallurgic cartel of 1926. Certainly Britain feels extreme reluctance to acknowledge complete solidarity with the continent.

Now whether Great Britain chooses to be more or less European is something which may have important reactions on the framing of a new European economic and moral unity. Not in France only, but also, I think, in Germany, you would find many thoughtful people who feel strongly that England is a necessary element in the European order. Less openly, less consciously perhaps, but none the less truly, you would also find the belief that Great Britain is a necessary link between Europe and the other continents, just as much as Russia is a link with Asia. We know the advantage of enjoying the liberty of the British Empire (if this liberty is to last) for the needs of our foreign trade. We know how precious it is, for France and the rest of the continent, to have at our doors the huge British *entrepôt* of goods, through which for over a century the produce of the world has been drawn towards the old continent. We know that, through Great Britain, a large part of the world (and especially the Dominions) gravitates around Europe. Without England the continent of Europe could not remain a world economic center comparable to the economic center which is being built up in America.

We are perfectly aware of the dangers which threaten the economic position of Europe, and we cannot shut our eyes to the fact that some of these dangers lie just in the question as to what conception the British Empire may choose to have of itself. If

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Great Britain, deserting her place in Europe, consents to be mainly (or only) a partner in the huge concern of the Anglo-Saxon races outside the old world, then we cannot fail to see that she might easily lose the first place in that concern, because some of the Dominions possibly will feel attracted (not politically but economically or racially) towards new centers. Such countries as Australia and Canada, although fully faithful to the British flag, already instinctively look to Washington for their "ethnical defense." The conclusion is obvious and of real concern to Europe, because if the Dominions cease to gravitate around Great Britain they will also cease to look to the old continent as their natural focus, thus shifting the center of gravity of the planet very far from its ancient and traditional location. That is why we should prefer that Great Britain should remain the indisputed center of its own Empire and keep the rôle of *trait d'union* between Europe and the rest of the world.

All these discussions and considerations are obviously born from the war; I hardly think they would have been given serious thought before 1914. And it is not even the war itself but rather the consequences of the war which may be deemed responsible for Europe's new conception of its real position and its real rôle. Possibly the war itself might have proved a useful lesson of unity and common consciousness, but I think the main factor in the formation of the common consciousness becoming manifest today is the presence of a powerful, rich and dominant United States. The spectacle of that successful country is a lesson which cannot possibly be ignored. But at the same time the fact that America is somewhat lacking in international mindedness is a warning. She has been accustomed to full economical autonomy, and that she intends to stick to it can be seen from the proposed new tariff. At the same time she now needs foreign markets, and though she is reluctant to acknowledge a complete international solidarity she will insist on concessions from foreign countries. The reaction to this, and a very natural one, is the growing realization in Europe of a common European point of view. Although the practical consequences which may flow from this are still uncertain, a frank observer cannot fail to acknowledge that the consciousness of solidarity exists as it never existed before.

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NAVIES AND PEACE

A British View

By Philip Kerr

THE statements recently made by President Hoover and Mr. Ramsay MacDonald prove that the *malaise* which has underlain Anglo-American relations since the break-down of the Geneva Naval Conference in 1927 has been dispelled. The suspicion which was then engendered has been replaced by the confidence that, whatever the practical difficulties may be, the two countries are agreed that their navies shall be equal and therefore non-competitive and that they genuinely desire to make the Paris Pact for the renunciation of war the basis of their international policy.

It is not the purpose of this article to discuss how "parity" should be applied to the differing geographical circumstances of the United States and the British Commonwealth of Nations, nor to explore what the "ratios" between the British and the American navies and the navies of Japan, France, Italy and Germany should be, nor to consider the nature of the "yardstick" which will enable the varieties of naval armaments to be clearly and justly compared with one another. All these problems are now under consideration by the governments concerned and the outcome will be disclosed in due time. Its purpose is rather to draw attention to certain underlying elements in the Anglo-American problem which will remain unaffected whether an agreement on "parity," "ratios" and "yardsticks" is reached or not, and which will, sooner or later, have to be faced before any sure basis of Anglo-American comity or world peace can come in sight.

I. THE FREEDOM OF THE SEAS

The only practicable basis for an agreement to limit and reduce armaments is the total renunciation of war as a method of settling disputes between the parties. Unless war is entirely ruled out, each side will maintain the armaments which it thinks will give it victory, or at least security, when war comes. That is common-sense, and also the verdict of history.

A naval agreement between the United States and the British

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Empire — taken by themselves — should be easy, because war is, in fact, ruled out, not only by the Pact of Paris but by the repeated utterances of statesmen and by public sentiment on both sides of the Atlantic. There is no Anglo-American political question which public opinion either in the United States or Great Britain would dream of trying to settle by war rather than by pacific means. An agreement about "parity" on the basis of a flexible "yardstick" can be reached directly the civil governments in Washington and London instruct their respective Admiralties to ignore the possibility of war.

The whole difficulty in Anglo-American relations arises from the possibility of war elsewhere. Great Britain cannot ignore the possibility of being involved in war in the north Atlantic and the Mediterranean arising out of the discords of Europe and the Near East. The United States cannot ignore the possibility of being involved in war in the Pacific arising out of the discords of Asia. The actual minimum standard of naval armaments which the "yardstick" will define will be determined not by fear of the policy of the other but by what each thinks necessary for dealing with the uncertainties of Europe and Asia. The risk of interference by Europe in North and South America, which the Monroe Doctrine was originally designed to prevent, has almost disappeared.

It has been the situation which arises when one of the two Powers is at war and the other is at peace which has caused all the serious controversies in Anglo-American history, *i.e.*, the war of 1812 and the crises of 1861–62 and 1914–17. The central fact in Anglo-American relations is that every European or Asiatic conflict is liable to precipitate an Anglo-American conflict over belligerent and neutral rights at sea, however friendly the two nations may otherwise be. The main reason why either nation thinks of building a navy against the other is not that it fears attack but in order that it may be able to protect its ocean-borne commerce in the event of one of the two nations being at war with third parties when the other is at peace. As Senator Borah sees, this is the real Anglo-American difficulty and Anglo-American relations will not be on a stable basis until it is solved.

It is quite clear that the problem cannot be solved by entrenching the traditional British doctrine of maximum belligerent rights, for the United States began her present navy in 1916 for the avowed purpose of making it impossible for belligerents in

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quarrels of their own to interfere with her neutral trade according to their own interpretations and extensions of international law. She demands parity to-day primarily for the same reason. And even if the United States were to agree, other naval nations would refuse. To perpetuate high belligerent rights against neutral trade in "private" wars would be quite inconsistent with the policy embodied in the Covenant of the League of Nations and the Briand-Kellogg Pact. Moreover, the maintenance of the right to exercise high belligerent rights at its own discretion was a practical policy for Great Britain when she had "command of the seas," but today it leads straight to a conflict with an equal naval power — a conflict she obviously couldn't contemplate if she were already engaged in a struggle with some other naval power. The acceptance of "parity" in 1922 was a tacit admission that the traditional British policy could not be continued.

It is equally clear that the problem cannot be solved by making the seas "free" to the trade of all nations in time of war, *i.e.* by entrenching neutral rights. British opinion believes that its navy has been, in fact, not only the shield of Britain's own defense but the guardian of world freedom. It would certainly refuse to abandon the right, which it possesses under immemorial international law, to use its navy to prevent its enemies from trading with neutrals if that were necessary either to preserve its own existence or to prevent some new Napoleon or Lenin from trying to dominate Europe or the world. It is doubtful whether American opinion, now that the American navy is as strong as any other, would agree to rules which would prevent its effective use in times of crisis. American opinion, too, is coming to see that a policy of "neutrality" is not enough, as the various embargo resolutions before Congress prove. On the one side a policy of neutrality tends not towards peace but to convert every war into an Anglo-American war, for neutral rights can be enforced only by war or the threat of war. On the other side, the enforcement of absolute neutral rights would be to nullify all effective international action to deal with an aggressor or to prevent war. The "freedom of the seas" is inseparable from the freedom of the world, for if the seas were "neutralized," land powers would be left with belligerent rights which were denied to naval powers, and naval powers would possess no lawful way of putting any limits on the power of military states to use their

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armaments for unjust or autocratic purposes, as they did in 1917–18.

Nor can the problem be solved by attempting to re-codify maritime law so as to secure agreement as to what belligerent and neutral rights at sea should be. The last war proved that all earlier codifications, *e.g.* the Declaration of Paris (1856) or the Declaration of London (1909), break down under the stress of world war, and that under modern conditions of the "*guerre totale*" it is impossible to distinguish between contraband and non-contraband, or between public and private property at sea. Everything except ostrich feathers is used for war purposes. Further, the whole idea of codifying neutral and belligerent rights is incompatible with the Kellogg-Briand Pact, and in some measure with the Covenant of the League of Nations and the Locarno Treaties. It is quite illogical as well as a confession of lack of faith to draw up rules for warfare if the use of war itself is to be forbidden and renounced.

We are still left, therefore, with the fundamental problem of Anglo-American relations — What is to happen when one nation becomes involved in a war while the other is a neutral? There is only one solution and that is that they should use all their efforts to prevent the settlement of international disputes by war, *i.e.* to make the Briand-Kellogg Pact effective. The alternatives are inexorable. Either war is prevented, or every war is liable to develop into an Anglo-American war.

II. THE DISARMAMENT PROBLEM

Consideration of the general problem of disarmament leads to the same conclusion. So long as war is tolerated as a method of settling international disputes, armaments are inevitable, for there is nothing else upon which nations can rely for the protection of their rights and independence. Yet armaments inevitably produce war. They may give security, but only at the price of war. Armaments, of course, are justified on the ground that they are merely legitimate instruments of national security. But no nation can make itself secure by armaments except by having armaments which will give it victory in the event of war, *i.e.* by making its neighbors insecure. Hence the perpetual repetition throughout history of competition in armaments ending in periodic war.

Moreover, so long as the settlement of international disputes

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by war is tolerated, it is almost impossible to secure that they are settled justly, for nations will not agree to international solutions, however just, which will prejudice their own strategic security in the event of war. For instance, the "union" of Austria and Germany is forbidden, not because people want to keep Austrian and German Germans apart, but solely because of the effect it would have on the strategic situation in Europe. Hence, too, the well-known difficulty of getting territorial re-adjustments or the revision of peace treaties. So long as there is a risk of war nations will not disarm, and international injustices which provoke to war will not be remediable except by war.

The only way to secure disarmament (and just solutions of international questions) is to prevent war altogether, so that reason and justice and not the high hand shall settle international disputes. Yet there is little chance of obtaining effective coöperation for the prevention of war unless armaments are reduced to the police level, and used for police and not for military purposes. The objection to "sanctions" springs largely from the fact that so long as nations are heavily armed, a promise to coöperate in preventing or stopping war or curbing an aggressor implies an obligation to take part in a first class war. The possibility of obtaining international guarantees against war becomes easier in proportion as armaments diminish.

So long as national armaments exist they must be used either as instruments by which international disputes are settled by war, or as the instruments by which resort to war is prevented. They must be used either for military purposes or for police purposes. There is no third alternative. If war is to be ended, nations must not only cease to use their armaments as the instruments of their national policy; they must also agree to use them solely as the instruments for preventing successful resort to violence.

Nor is it possible to keep naval and land armaments in separate compartments. Large armaments anywhere threaten war, and war anywhere, as already explained, is not only liable to spread, but, in particular, to precipitate an Anglo-American crisis over neutral and belligerent rights. The peace of Europe today depends in a large measure upon the obligation undertaken by Great Britain under the Covenant and the Locarno Treaties to use economic sanctions against a treaty breaker, that is, to interrupt its trade with neutral powers. It will be almost

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impossible to prevent the present military hegemony of France and her allies in Europe from developing into a new military balance of power, ending in another world war, unless adequate international securities for the prevention of war can be created. For the basis of the European trouble is not the love or the fear of aggression, but the fear of war.

Progress towards disarmament, therefore, like the solution of the fundamental Anglo-American problem, also seems to depend wholly upon making effective the Briand-Kellogg Pact for the total renunciation of war, whether it is waged on land, by sea or in the air, as a method of settling international disputes. How is that to be done?

III. THE PREVENTION OF WAR

It is sometimes suggested that the Anglo-American and the peace problems can be solved by distinguishing between "public" and "private" war, or by defining an "aggressor," so that it would be legitimate for Great Britain or any other nation to interfere with neutral trade when it was acting as a mandatory of international authority in dealing with an outlaw state, but that when it was engaged in a private war of its own, neutral rights should be inviolable. There are, however, insuperable obstacles to such a solution. How can you define the difference between a "private" and a "public" war? Who is to decide the question? The United States would certainly not bind itself to accept the decision of the League of Nations so long as it was not a member of it. Moreover, even if an international authority could be agreed upon, it would not suffice. It could, no doubt, give a verdict where everybody was already agreed. But in all serious disputes the public opinion of the world and the League Council itself is likely to be divided about the merits of the dispute and no verdict would be obtainable. In any case where two nations started to fight, neutral rights would inevitably tend to disappear, and neutrals would have to threaten or resort to war to defend them.

There is, too, no satisfactory way of determining an "aggressor." No investigating machinery that can be devised will act quickly enough. There is no time in a crisis to find out which side is right and which is wrong. Who knows yet whether Paraguay or Bolivia was the "aggressor" in the late dispute? The creation of "automatic" tests, such as a refusal to arbitrate, simply

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means that it becomes the main function of diplomacy to manœuvre an opponent into a position in which it will automatically be in the wrong. The "aggressor" solution is an illusion.

The only way forward is to begin to apply in the international sphere exactly the same method as preserves peace in the national sphere, which is to distinguish between the prevention of violence and the settlement of the dispute. Peace in the domestic sphere begins when a community makes up its mind that it will prohibit the use of violence because until that is effective there is no security that people will not try to take the law into their own hands, everybody goes armed, and shooting is chronic. It is only when violence is prevented that the reign of law and justice can begin. Lasting peace in the international sphere will similarly begin only when the nations make up their minds that the settlement of international disputes by war is disastrous because war anywhere tends to damage everybody and to engulf the whole world, and when they take effective steps to prevent it. The creation of means for the peaceful settlement of disputes is a second though parallel step, and may be attempted in many different ways.

The prevention of war is the primary interest of every nation in the world. The settlement of disputes as often as not is a local or regional affair. War in Europe is a vital concern of the United States, just as war in South America is a vital British and European concern, because war in either continent may produce a violent Anglo-American crisis over neutral trade. But the settlement of the internal problems of Europe is not primarily an American concern nor is the settlement of South American problems primarily a European concern.

The Covenant of the League of Nations and the Briand-Kellogg Pact approach this problem of the prevention of war in different ways. The framers of the Covenant felt that they could not deny to nations the ultimate right to use war; they concentrated on inducing them to submit their disputes to impartial investigation and report before resorting to war, and to combine to take "sanctions" against any state which went to war in defiance of this obligation. Disarmament has made no progress in Europe partly, at any rate, because resort to war is still ultimately legal. The framers of the Briand-Kellogg Pact started from the other end and proclaimed that it is the use of war itself which must be totally renounced in favor of pacific methods,

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though they made no attempt to create the means for making the declaration effective. The moral foundation of the Briand-Kellogg Pact is clearly sounder than that of the Covenant. If the means can be found for making it effective, there will not only then be peace but an immense reduction in armaments.

The key to the solution of the Anglo-American naval problem, of the disarmament problem, and of making the Kellogg Pact effective, thus seems to be the same. It is that the signatories of the Pact of Paris, and especially the United States and Great Britain, should publicly recognize that they are all vitally interested in any threat to the peace of the world, and that, on such threat arising, they will instantly take counsel together as to how hostilities can be prevented. What they will do in order to prevent war cannot be now foreseen. It will depend upon the movement of public opinion at the time. But once public opinion comes to the conclusion that the settlement of international disputes by war must be prevented, it will certainly mobilize action against war which will sweep older diplomatic machinery aside. It may be that, if persuasion fails, embargoes of the Capper, Burton, Porter, or Fish type will be employed, or some form of financial or naval blockade, or military pressure. For the present, the condition of combination to prevent war is that every state should remain absolutely free and unbound as to what it will or will not do. But can there be any doubt that if the leading signatories of the Pact, or even the United States and the British Commonwealth by themselves, were really determined to prevent the settlement of disputes by war, they would be able, if not to prevent the outbreak of hostilities in every case, at least to isolate the war and bring it to an end speedily, and in any case to prevent it developing into a world war or an Anglo-American war? This procedure was laid down in the Washington Four Power Treaty of 1922 for dealing with difficulties which may arise in the Pacific. It only requires to be extended to cover all threats of war wherever they may occur.

What happened in the recent Græco-Bulgarian and Bolivia-Paraguay disputes illustrates the method admirably. In the Græco-Bulgarian case the Council of the League of Nations was in session. The parties were immediately summoned under Article 11 of the Covenant. As they began to state their case M. Briand stopped them and said that the Council could not then consider the rights and wrongs of the case; its first duty was to

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stop hostilities; once guarantees on this point were given, it could take steps to secure an impartial and fair adjudication of the matters in dispute. Both sides agreed to stop hostilities and to withdraw behind a defined line, and in due time a verdict was given.

The Bolivia-Paraguay dispute was even more instructive. The Council of the League and a Pan American Conference both happened to be in session. Both bodies instantly concerned themselves with the prevention of hostilities. They even entered into informal consultation with one another for this purpose. But once the risk of war disappeared, the settlement of the issues was left entirely to the Pan American Conference in session at Washington.

Agreement to make the Briand-Kellogg Pact an effective instrument for the outlawry of war may seem a far-reaching departure from the British tradition of keeping a free hand to use its navy on its own initiative and for such purposes as British opinion may approve, with the maximum effect on neutral trade which a liberal interpretation of sea law may permit. It may seem to be a far-reaching departure from the American tradition of maintaining its own peace by neutrality in the quarrels of the old world. But if the arguments of this article are valid, it is the only way of preventing every war or threat of war in Europe or Asia from developing into an Anglo-American or a world crisis of the first magnitude.

IV. CONCLUSION

It would seem, therefore, that we are face to face with far more profound decisions than an agreement about "parity" and a reduction of naval armaments, important as that is as a first step. The root menace to Anglo-American relations, the root obstacle to disarmament, the root cause of international injustice and unrest, is the institution of war. Until war has been dethroned in effect and not only in theory, there will be no security for Anglo-American peace, no probability of an all-round reduction of armaments to the police level, no prospect of lasting peace. There is no way of short-circuiting this inexorable fact by attempts to create a new "freedom of the seas," by distinguishing between "public" and "private" war, by defining the "aggressor," by "neutrality," or by re-codifying international law. Either we prevent war, or every war tends to develop into an

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Anglo-American war and a world war: either armaments will be used as the police instruments whereby resort to war is prohibited, or they will be used as the instruments by which international disputes are settled by war.

We are, indeed, clearly at a turning point of the world's history. The ultimate problem of peace is whether international questions are to be settled by reason and justice or by war. Consider a few of the main questions which threaten the peace of the world: the Polish corridor; the *Anschluss;* the outlet for surplus populations; economic opportunity for all nations; the relations between east and west, between Russia and its neighbors; the giving of security against international wrong and aggression. Are we going to settle these and other problems by patient consideration of them in all their aspects and a willingness to do what reason and justice eventually prescribe, or are we going to settle them by war? In international affairs, as in national, there is no compromise between the two systems: either we settle them justly by pacific means, or war will break out and inexorably engulf everybody in its ferocious grasp. To paraphrase what Abraham Lincoln said of another issue: the nations cannot stand for law at home and war abroad: justice and reason must settle everything, or war, in the future as in the past, will settle everything: force must be mobilized behind law and justice, or it will be used for war.

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NAVIES AND PEACE

An American View

By Charles P. Howland

A WAR between the United States and Great Britain is not "unthinkable" in the intellectual sense as long as navy calculations and controversies are based on or continually take account of fleet conflicts — as long, that is to say, as "parity" is of vital importance, and as long as each naval staff stickles for a kind of "parity" which would give it fleet or commerce-destroying superiority. When people say that such a war is "unthinkable" they mean that its consequences would be so evil as to stagger the imagination; we cannot think them out for very repugnance and horror.

People still think of war as a struggle to a decision between armies on a battlefield, something as decisive of an issue as the battle at the North Inch of Perth between the Clan Chattan and the Clan Quhele, or another Trafalgar. But a great modern war runs no such course. All citizens are combatants, for all produce engines of destruction or means of subsistence. Rousseau's distinction between the combatant state and its soldiers on the one hand and the non-combatant citizens on the other is no protection against bombing aircraft. A great modern war is a strangulation of all that nourishes the life of the enemy — trade in any case, production if sources can be reached — destruction made as deep and therefore as permanent as possible. The overcoming of an enemy's will, which constitutes victory, comes from the crippling or ruin of his economy; this was the life-nerve for which each side was aiming in the World War, submarine against blockade.

Equal navies starting from remote bases will not go out to fight; they will play "prisoner's base" with each other. The increased speed and mobility of modern vessels, the protection afforded to a fleet by aircraft coming out to meet it, make retirement on a base much more secure than heretofore. Neither an American nor a British fleet could invest the other, nor "contain" it in the correct sense of that naval term, *i.e.* force a stronger fleet to immobility in a watching station for fear that if it should move the weaker "containing" fleet would slip away.

The strategy of each side, British Admiralty and General

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Board of the American Navy, would be to destroy the other's trade. Geographical and social arrangements have at times been based on the major hypothesis of war. The Acropolis epitomized the life of the Greek city; the Italian hill-towns express for us the municipal vendettas of the twelfth to the sixteenth centuries. Men in each of those eras lived a woodchuck life. Today we trade and expose ourselves all over the world; and as the best "defense" we arm ourselves to do as much cruiser-destruction as may be required for any of the multiple contingencies of an anarchic universe.

Let us come a little nearer home. The debate over the "Freedom of the Seas" is partly based on tradition, the tradition of 1812, that the United States and Great Britain are necessarily ranged on opposite sides, Great Britain as a likely belligerent in future war, the United States as an almost certain neutral. This assumption, that national attitudes remain indefinitely as they have been, recalls Howells's account of the relation between Siena and Florence in the nineteenth century. The Florentines in 1860 had sent to an official of Siena an invitation to him and his fellow citizens to join them in celebrating the union of Tuscany with the Kingdom of Italy. The official of Siena replied Yes, "they would be glad to send a deputation of Sienese to Florence, but would the Florentines really like to have them come? 'Surely! Why not?' 'Oh, that affair of Montaperto, you know,' as if it were of the year before, and must still, after six hundred years, have been rankling in the Florentine mind."

The fixed idea of United States neutrality, the assumption that it will be a neutral in future wars concerned mainly with protecting its right to trade with either belligerent or both, is a static conception in a world of change. It is based on the tradition that all wars are European and that neither their existence nor the issues involved in them concern the United States. This tradition is ceasing to have validity since the United States became an imperial power. Any great war is reasonably certain to be universal and to extend to all parts of the globe; it almost surely — particularly in the western hemisphere, in the Pacific or in the Far East — would involve an interest which the United States would feel bound to defend. And when the United States is a belligerent its action is based on no higher level in recognizing the rights of neutrals than Great Britain: in the World War we seized Norwegian ships building in our yards, and Dutch ships in our har-

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bors by an exercise of the quaint right of "augary;" we rationed neutrals and attacked their exchange so as to control it; we forced a neutral corporation to trade with us rather than with Germany; in 1918 our navy was busy laying a mine barrier across the North Sea, a closing of the high seas against which as a neutral we had protested.

The emphasis on the tradition also assumes that the right of the United States to trade when others are at war, notwithstanding the risk that the United States will be drawn in, is more valuable to the United States than keeping the peace.

How ironic it must seem to a reflective mind that the hundred and fifty year dispute between the two countries is over a minor point of international law! The use of the navy to throttle an enemy's trade is of course only a means to an end; yet Americans nurse the tradition that the United States in 1812, to carry its point of neutral trading rights, ranged itself on the side of one of the world's "Great Perturbators."[1] By insisting on its orthodox position it might again deprive itself of all freedom of decision as to the great questions of policy that underlie world order. The British traditional position involves the same paradox. The Sea Lords of today know they could not afford to add the modern American navy to an enemy's fleet by repeating their tactics of the past. The British are also reflecting upon their vulnerability to attack in a great war. A paper prepared by Viscount Cecil and Mr. W. Arnold-Forster says,[2] "In a future private war this practice — *i.e.* maritime capture in war — applied against us might easily destroy our existence, and applied by us might be equally fatal in consequence of embroiling us with the United States."

The basis for both these assertions may be found in the shipping losses of the World War:

LOSSES BY TONS

British Empire	7,662,358
France	915,791
Norway	1,180,316
Sweden	201,267
Holland	211,969
Denmark	243,707
U. S. in 1915–1916	30,874
U. S. in 1917–1918	308,185

[1] The validity of the argument is not affected by the fact that the northwestern frontiersmen were much more eager for war than the New England shipping and mercantile interests.

[2] *Journal of the Royal Institute of International Affairs*, Vol. VIII, No. 2, p. 100.

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The blockade against Great Britain — for such it was — was carried out by a few German submarines from distant bases with no access to the British Channel because of the narrowness of the Straits. In the words of the *Manchester Guardian:*[3] "But to blockade Great Britain and inflict on her a defeat far more catastrophic than even the defeat that came upon Germany nothing would have been needed save a few more German submarines. Today a continental naval Power with suitable bases could swiftly defeat this country, all the more so as aeroplanes (against which there is no adequate defense) would complete the work of the hostile submarines. Indeed, it is possible that merchant shipping in the English Channel would be destroyed more rapidly by attack from the air above than from the water below. Total defeat could come without the landing of one enemy or the bursting of one shell on British soil, or the loss of one British soldier, because Great Britain can feed herself for no more than seven weeks. Blockade, our traditional weapon in war, has become far more dangerous to ourselves than to others."

It may be taken as axiomatic that no single nation can any longer command the seas, and that "Rule, Britannia!" has become an anachronism. The organization of order by a single domination is therefore impossible.

It is of course essential to the organization of order that there shall be definite rules and that they shall work the same for all. Is such an organization possible by an agreement as to what the rules shall be in the event of war? The controversy has been over the definition of "neutral rights;" and unless a *mare liberum* is to be advocated (which Great Britain would not accept as to the Channel, the North Sea and so on, nor the United States as to the Caribbean and perhaps other seas), the definition of neutral rights involves defining "contraband," "blockade," "continuous voyage," etc., terms whose elasticity, as von Bieberstein pointed out at The Hague in 1907, permits of renewal of the same dispute in different guise.

Some lawyers in the Senate think there can be a "codification" of the law of the sea in wartime. Apparently they assume with Grotius "that commodities could be so divided in war-time as to leave private property and civil supplies untouched, whilst state property and military supplies were stopped, and that the difference between contraband and non-contraband was a real one

[3] February 12, 1929.

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resting on a genuine distinction between the two classes of articles." But there are no longer any such distinctions in fact; all the activities of both sides in the World War in the constriction of trade were based on the obliteration of such distinctions and rules and would be so again under similar circumstances. Classifications of property were annulled on the theory that anything that was useful for a nation contributed to its fighting power or its resistance. "Private" ownership became a farce; the German Government set up a purchasing agency in New York, and their shipments were "private property" and were consigned to neutrals; there was so much of this that the British made a presumption of it for all cases. "Blockade" used to be a close investment; the term was transferred in the World War to arrest on the high seas. All agree that the doctrine of "continuous voyage" or "ultimate destination" applies to absolute contraband, whether or not it applies to conditional contraband or to blockade; consequently the British declared virtually all goods to be absolute contraband, and stopped goods consigned to Germany's neighbors which might be going to Germany herself or which might be intended to replace goods already sent to Germany. The British view of "the law" is that "under present war practice a belligerent is entitled to capture any goods other than the merest luxuries found anywhere on the high seas and consigned to some destination from which they or their substitute may reach his antagonist."[4]

This appears clearly in the fact that the codification proposed by Senators is to rest "on the basis of the inviolability of private property." The Senate would not accept any such "law;" in other words, there is no agreement as to what is "law." Manley O. Hudson says:[5] ". . . while some of the practices of neutrals and belligerents during the World War may have established precedents for the future, the war itself contributed little or nothing to the solution of juridical problems, nor to the establishment of new principles in the law relating to war and neutrality. No progress has been made since the war toward restating, clarifying, or improving our international law concerning the conduct of war. The present divergence of opinion as to the future of the law of neutrality renders it diffi-

[4] Viscount Cecil and Mr. W. Arnold-Forster, op. cit., p. 100.

[5] "The Development of International Law Since the War," *American Journal of International Law*, April 1929.

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cult to foresee any fruitful attempts either to clear up the uncertainties which prevailed during the war, or to settle any of the controversies which arose, or to enact satisfactory legislation for the future."

All of this means that the so-called "codification of international law" requires an agreement on policy, and that is impossible, partly because neither side can foresee in what direction its interest will lie in any of the multiple contingencies that may arise, partly because the popular opinion of neither country would be willing to accept what would seem like dictation from the other. Lawyers could hold an institute for discussion, but official representatives could not find their way out of the labyrinth; and a quarrel of lawyers would be even more unfortunate than a quarrel of admirals.

There is an inherent difficulty in attempting to control the operations and the spread of war by a "law" for its conduct. The wit of man cannot devise a code that would cover all the contingencies in a fashion satisfactory to any nation, not to say all of them; and a treaty of guaranty in large *general* terms is subject to the weakness that in the end the action of the guarantor depends upon the effect of circumstances upon his own interests. It is reasonably clear that a really *definite* agreement is impossible because, to mention the United States alone, it is not prepared to pledge itself in advance to abandon its traditional rights in hypothetical cases.

What, then, is to be the solution? Why, we have it happening before our eyes. It lies in taking the prevention of hostilities anywhere as the essence of the problem of maintaining peace, and of uniting the naval powers in action or attitude to prevent hostilities. If hostilities do not begin, they cannot spread; if they do not spread, they cannot align naval powers against each other on the basis of irreconcilable belligerent and neutral "rights." An association of the leading powers to prevent hostilities, shared by the United States, might never have to become active; the knowledge that the United States, the great source of supplies, is no longer isolationist (in the sense of caring for nothing except for an irresponsible neutrality), but is active to prevent war, is the greatest deterrent to aggressive military alliances or to wanton provocation that could be found. For such an association an agreement is good as indicating the direction to be taken, but common action in practice has a more practical benefit; behavior in family life, in

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copartnerships and in international relations is more determined by the grooves of antecedent behavior than by formulæ. The practice of joint planning and activity in smothering the outbreak of hostilities is the action of a police squad which undertakes no "entanglements" as to the merits of any fracas it summarily terminates. A police squad does not need articles of copartnership: it needs an intelligible purpose, an intention to act in the general interest and not in the interest of its members, and practice in coöperation.

If something of this sort be acceptable policy to both countries, there should be no great difficulty in harmonizing with it policies as to fleet-building. Nations do not exist to maintain fleets; fleets are maintained to serve national policies. "Parity" is necessary to prevent one nation from making what rules she pleases, to prevent domination of the seas by a single supreme power. Parity is easily attained by any one of a number of formulæ, for it already exists in the sense that neither Great Britain nor the United States could drive the navy of the other from the seas. Exact yardstick equality is impossible; such incommensurable factors as tonnage, age, speed, gun calibre cannot be brought into a common denominator. Admiral Fiske even insists on parity, *i.e.* equality, in naval base strength and in size of merchant marine; if you require these extended sacrifices of your taxpayers, you will still find that parity has not been attained because there is an inequality in oil supplies or gun factories or nitrate-fixing plants or something else. The insistence upon equality in all details is the attitude of the professional who is concerned more with the quality of his weapon than with the reason for its existence; he will never be satisfied unless the scale tips his way. An equality established for the British fleet at anchor in Portsmouth Harbor and the American fleet at Newport News would become a pronounced inequality if the two were to meet either near the Scilly Isles or off the Windward Passage. No precise equality is necessary to prevent a domination of the high seas by any country, which all others agree in finding intolerable.

Precise equality is also the more difficult and the less important because of the ambitions and interests of the other Powers. For that matter the United States would not enter into any arrangement that savored of a special alliance or any sort of understanding directed against the other Powers. Their potential strength cannot be ignored, and they must be induced to limit their build-

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ing; nationalism requires them to hold out for what Briand calls "*chiffres de prestige*." Each of the other great Powers brings forward special circumstances which require peculiar consideration in any navy-limiting arrangement — Japan, because she will not accept inferiority in cruisers, the type of ship which Great Britain or the United States could send to operate in Japanese waters; France, because she needs cruisers and submarines to maintain her communications with her African colonies, because she has to defend herself on three seas, and because she has possessions in the east, the two latter reasons making it indispensable that she have a navy superior to Italy's; Italy, because she insists on having a navy equal to that of France. None of them is likely to accept the 5:5:3:1.67:1.67 ratio established at the Washington Conference for capital ships. On the completion of vessels whose building is already undertaken or is presently contemplated, Japan will stand at 3.51 in cruisers and at 4.48 in submarines; France at 2.28 in cruisers and at 4.68 in submarines; France at 2.28 in cruisers and at 4.68 in submarines; Italy at 2.09 in cruisers and at 2.05 in submarines. Germany even begins to emerge from her obscurity with a 10,000 ton cruiser which is far more powerful than any of the 10,000 ton cruisers possessed by the other Powers. It is more likely that they will accept navy limitation as part of a general scheme for keeping the peace than that without any such scheme they will be satisfied with navy formulæ intended to force them into an Anglo-American agreement.

A factor complicating straight-out limitation with Great Britain requires consideration here. A conventional thesis of the Big Navy men is that, although the United States could afford to reduce her fleet indefinitely vis-à-vis Great Britain, she must maintain a substantial superiority in certain types of vessels, notably large cruisers, over the fleet of Japan because of the possibility of war with that country. An examination of policy would seem to indicate that in a world swayed by economic forces nothing is less likely than war between the United States and Japan. As between the United States and Japan the latter has no resources with which to conduct a modern war. She has no coal suitable for coking, nor sufficient supplies of oil nor cotton — imports of cotton constitute over 36 percent of her total imports — nor iron and steel. "Iron," as Professor Bain says, "is clearly one mineral that must be present in abundance within the limits of any country that aspires to first rank in war or industry, unless

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the situation be clearly recognized and a continued stream of imports be assured by an equally steady policy of peace or sea control . . . Unless it has within its borders a supply of the 'tonnage' minerals, coal, iron and sulphur or sulphides, it is under bonds to keep the peace."[6] Even supposing that in a great foreign war the Japanese could mobilize all the resources of China, Professor Bain's studies show that there is no mineral wealth adequate for iron and steel production on a large scale.

In general, it may be said that Japan's imports consist to the extent of about 70 percent of the essential raw materials without which she could not maintain herself in peace time and still less in war, with some food stuffs. She gets 70 percent of her imported lumber, 60 percent of her imported iron rods, bars and plates, 40 percent of her manufactured machinery, 80 percent of her kerosene and 90 percent of her sulphate of ammonia from the United States. 85 percent of her exports consist of semi-manufactured or wholly manufactured goods, the loss of none of which would be of the slightest disadvantage to the United States in war time.

Sir Thomas Holland, President of the British Association, in his address at Johannesburg on July 31, 1929, pointed out that the essential mineral products are far from evenly distributed over the land areas of the world, western Europe and North America having a disproportionate share of those deposits that can be worked on a large scale, with the result that nine-tenths of the coal, two-thirds of the copper, and 98 percent of the iron ore consumed by the world come from these countries. On this ground of the uneven distribution of minerals he said that the British Empire and the United States were the only two nations that could fight for long on their own natural resources, and in set terms he declared that in the light of modern geological knowledge the bugaboo of the "Yellow Peril" has disappeared.

Japanese trade also prescribes for her statesmen a policy of peace with the United States, in the fact that the United States is Japan's best customer as well as the source of the largest part of her industrial supplies. Her trade figures for 1928 are:

Total imports	2,192,858,000 yen
U. S. share	625,503,082
or a U. S. share of 29 percent	
Total exports	1,971,689,000 yen
U. S. share	826,141,097
or a U. S. share of 42 percent	

[6] "Ores and Industry in the Far East," New York: Council on Foreign Relations, 1927, pp. 16, 20.

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Silk is the main item of Japanese exports to the United States, representing 82 percent of total exports to the United States and 96 percent of the total silk exports. Thus the silk industry — the most important factor in the country's foreign trade and supplying half of Japan's exports — is based on the American trade. She also exports to the United States a large quantity of manufactured silk goods, pottery, tea and straw braid. The destruction of this trade by a declaration of war would be about as intelligent as it would be for Cuba with her one-crop sugar economy to break off trade relations with the United States.

It would seem to follow from the foregoing that the hypothesis of an American war with Japan need not exercise any serious influence on the negotiations between American and British statesmen for fleet reduction, in the interest of taxpayers, in avoidance of the competitive building that promotes unfriendliness, and as an example to the rest of the world.

When all of the complicating, uncertain and variable factors are brought into a general account, the importance of establishing an exact equality between the British and the American fleets sensibly diminishes, and the most likely way of avoiding the innumerable deadlocks that might occur in controversy over ratios or other formulæ is to make these differences also immaterial by an Anglo-American leadership in preventing resort to war.

At the same time it will not do to be casual about an understanding as to the size of the American and British fleets. A policy of drift works in favor of the big navy group, the centre of which in each country is the professional interest. Without an understanding, each move in a building program is magnified and countered or over-countered in the other country. Without an understanding, some of the propaganda for more ships may at an unforeseen moment take a provocative form and itself create the distrust which it declares to exist. An association in active steps to prevent war is hypothetical until the occasion arises for its use, and such occasions are rare and critical; pending their arrival the continuance of large armaments emphasizes the individualism of the "self-defense" attitude — the assumption that in the last resort preparation must be made against international anarchy — and forfends the psychology which, believing that war ought to be and can be averted, considers measures to that end. The only way to create general confidence in a plan is to proceed upon it.

Admiral Magruder says that since 1812 it has been the policy

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of the United States Navy to arm its ships with the heaviest batteries possible. "Let that policy continue and America will have peace and, with a broad human sympathy, be in a position to engender a spirit of goodwill throughout the world." [7] To British readers it might seem that if heavy guns are an aid to peaceful intentions and by the same token are to be taken as a sign of a peaceable disposition, then the more British armament there is the better it will be for a peace-loving world. The writer believes therefore that it is of substantial if not of cardinal importance that the effort at an understanding between the United States and Great Britain to avert *all* wars whatsoever should be marked by their active coöperation in disarmament.

The gist of this article can be stated in four sentences. American and British navies can act together in the policy of keeping the peace — not merely proclaiming an intention to do so, for pragmatic practice has more effect than promises on a sophisticated world; this is a policy open to all countries which sincerely put that end above national ambitions. With wise handling the execution of this policy reasonably insures that in the event of war they will have harmonious policies, making it likely that they will both be belligerents or both be neutrals at the same time. The effect of such a course should tend to dissolve the problem of "parity" and the muddle over belligerent and neutral "rights," since they both originate in the difference between a belligerent interest imputed to one of the two states and a neutrality interest imputed to the other. A sceptical world can best be convinced of the sincerity of such a program and induced to coöperate with it if the United States and Great Britain by reducing their own enormous navies make it seem that they believe in their own program.

[7] "The United States Navy," Philadelphia, 1928, p. 34.

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THE ECONOMICS OF INDIAN UNREST

By Sir Basil Blackett

THE late Mr. Walter Leaf published more than one attractive and convincing volume devoted to proving that the siege of Troy by the Hellenes was directly due to trade rivalries, and there has been a school of historians during the last half-century or more which has interpreted not only recent history but almost every war in the world from the fall of Nineveh to the fall of Constantinople as economic phenomena. It would be strange if, viewed from such a standpoint, present political conditions in India could not be made to explain themselves as the outcome of economic discontent and maladjustment.

Many explanations are at hand to suggest a close association between post-war unrest in India and economic conditions. Slowly but remorselessly the west is penetrating deeper and deeper into India. The movie and the motor-car are gradually if almost imperceptibly changing Indian village life, and broadcasting by radio is bound to come soon and prove a powerful solvent. Hundreds of thousands of Indian peasants have returned to their villages up and down Hindustan and especially in the Punjab from war service with the army outside India, and have brought back with them incredible memories and vivid stories of life and manners in other countries. Their minds and desires, and those of their fellows, have been stirred by pictures of unbelievably well-tilled fields and well-filled stomachs in other lands. All this is making for unrest. Or at least it is hard for a westerner to believe that it is not. Again, there are all the fruits of the educational history of India under British rule. Only very recently have primary education and the education of girls begun to receive adequate attention, and the difficulties of finding teachers are enormous. The provision for secondary and university education is still out of proportion to what is being done and what can be done for primary schools. Year by year tens of thousands of young men are turned loose on to the market with matriculation qualifications or university degrees, often, indeed, in possession of the barest smattering of book learning, but in very many cases with real capacity and with sufficient preliminary instruction to fit them to take a useful part in industrial and commercial life. All of them compete for a very limited number of

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places in government service, or for private employment in the comparatively few cities of India. Their education has unfitted them for the agricultural pursuits which their fathers have followed for centuries; and they are certain to be married — probably were already married long before they went to the university — to Indian women who have been remorselessly shielded from contact with western ideas, and in most cases excluded altogether from any opportunity for education of any kind. The unrest which has been endemic in Bengal for the last three decades is undoubtedly to some extent an economic phenomenon, and this economic background is responsible for some of the bitterness which characterizes political unrest not only in Bengal but in India generally. For political unrest in India is largely middle-class in character. The unemployed *Bhadralog*, the middle-class youths of Bengal who have had some opportunity for education on western lines and can find no outlet for their energies in the economic life of their country, are a direct and potent cause in creating much political unrest. They crowd into the law-courts, but even the appetite for litigation in India is insufficient to provide a livelihood for the enormous crowd of budding lawyers.

Nevertheless it is difficult to be convinced that Indian unrest is in general economic in origin. First of all, what is really meant by unrest in India? During the last ten years it is possible to single out at least three manifestations of different kinds which merit the name of unrest. There is the non-coöperation movement, associated with the Khilafatist and Akhali Sikh agitations of the years 1919 to 1924. There is the Bengal revolutionary conspiracy movement, with ramifications in the United Provinces and elsewhere, covering much the same period. The so-called Bengal Ordinance, which marks the end of the peak period of this movement, was promulgated in 1924. Thirdly, there is the existing communist trouble, which began to assume its present proportions about eighteen months ago. All these are quite distinct types of unrest, springing from different causes and pursuing different objects.

Non-coöperation was Gandhi's answer to the events in the Punjab of 1919. It is true that it was the fruit of contact between two conflicting civilizations, and in Gandhi's mind, if not in those of most of his supporters, the ideal in view was the ideal of "Erewhon," the abolition of all machines and all western progress and a return to primitive village conditions. The movement

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attained its truest contact with economics in its call for the re-establishment of village handicrafts and industry which were and are being submerged by machine-made products, not only imported, but manufactured in the mills of Bombay, Anmedabad and other Indian cities. Nevertheless, the non-coöperation movement was definitely a racial and political movement of middle-class origin, owing some of its importance to the chance which associated it with the Khilafatist movement and the temporary coalescence of Hindu and Moslem anti-British feeling. It was not Gandhi's economics but his asceticism which caught the fancy of the masses, and his supposed invulnerability. His power over them disappeared in a moment with his arrest and imprisonment. Non-coöperation was not in any true sense an economic phenomenon.

The Khilafatist agitation was started as a purely political movement by professional agitators such as the Ali brothers, but it drew its strength solely from the slogan of "Religion in Danger." The Moslems of India were told that the British were aiming at the ruin of Turkey as a preliminary to the total destruction of Islam, and for a brief moment the Hindu-Moslem feud was subordinated in the mind of the Moslems to their dream of again establishing a Moslem *Raj* in India. As the fearful episodes of the Moplah outbreak showed, there was no real intention in the Moslem mind of accepting their Hindu allies as anything more than temporary equals. The movement had no economic significance.

The Akhali Sikh movement began as a genuinely religious movement among the Sikh peasantry to reform the management of the Sikh temples, but was quickly seized upon by urban political agitators and turned into an anti-British movement. There were possibly some economic factors which entered into the Akhali agitation and increased its momentum, such as the ill-adjustment between agricultural and industrial prices in the years immediately following the war, the recurrence of bad seasons and the general rise in the cost of living in India. Moreover it had its roots back in pre-war history, and was not unconnected with the story of the Sikhs in California, and the refusal of the United States and Canada to admit them as settlers and allow them a share in the material progress of the New World. But the movement itself was definitely religious in origin and political in direction, and not inspired by economic motives.

The origins of the Bengal revolutionary movement are some-

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what more difficult to trace and define. It was to a large extent a revival of the pre-war agitation which had reached its period of maximum violence during the campaign against the partition of Bengal, announced during the late Lord Curzon's Vice-Royalty and eventually rescinded in 1912, simultaneously with the removal of the capital of India from Calcutta to Delhi. The object of the Bengal revolutionary movement was the expulsion of the British from India, and the replacement of the British *Raj* by a Hindu *Raj*, presumably in the main a government composed of Bengal *Bhadralog*. The movement appealed to the idealism of the young Bengali, and to the inspiration of the Nationalist ideal with its cry of "*Bande Mataram*" ("Hail, Mother"), a purely western ideal which nevertheless evoked a sincere response from the western-educated youth of Bengal. Unquestionably, however, the Bengal revolutionary movement drew a large part of its strength from the desire of its participants for a government of their own which would give them all the good jobs and means of patronage for their relatives and friends. Curiously enough, the political bias of the movement came rather from the United Provinces, as a reflex result of the extension into that quarter of an agitation which was primarily economic in origin. It is the unemployed propertyless Bengali youth who makes the Bengal revolutionary movement possible. It was not a movement which had its roots in the mass of the population. Indeed, it derived a large part of its funds from the proceeds of dacoities committed upon the houses of wealthy villagers, post offices, and so on, thus making itself an intolerable nuisance to the general public. There would be no impulse to revolution in Bengal if jobs in government service, or other suitable occupations other than agriculture, were freely available to Bengali matriculates. To this extent, therefore, it may be said that the Bengal revolutionary movement depended on economic factors, but they are factors applying only to a small and specialized class in Bengal, and not to the great mass of the population in India or even in the Presidency of Bengal.

Communism is an importation from outside India, and as a doctrine or theory of life is completely unintelligible to Indian thought. It contains, however, one feature, its cult of hatred against Britain as the arch-enemy of Bolshevism and the protagonist of the almost mystically conceived satanic bourgeoisie, which has made it possible for some of the extreme leaders of the

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spirit of revolt against the west to regard communism as an ally, in spite of themselves and of their utter aversion for all that it implies except this one feature. Moscow has not been slow to see the possibilities of advancing her own aims by playing upon the anti-European feelings of Asia as a whole. In China she seemed at first to have achieved a measure of success, and in so far as her object was to sow confusion and thereby damage the trading interests of the rest of the world, she did secure results. But when, after a previous failure in Java, Moscow found China turning upon Bolshevism and rending it, she not unnaturally advanced upon India with renewed hope and remarkable energy in organization; and for the moment she undoubtedly is having some success. There are political extremists in Hindu India who are ready to convince themselves that it is safe to encourage communism as one among other means for bringing about a Brahman Swaraj government. Their support is purely political in motive, and their whole conception of life with its rigid social system and its tyrannous attitude to the non-Brahman and the depressed classes makes it certain that they would be as swift to repudiate Bolshevism as China was, though they might not be so successful in repressing it if by any chance they reached the stage of dispensing with it as a weapon against the British *Raj*. Even as things are, the large majority of the Swarajists, themselves a small minority among the intelligentsia of India, have refused to toy with communism.

Yet communism has without question made considerable strides among the urban proletariat in India, and for the reason that the mass of Indian industrial labor is fertile ground for the communist seed to thrive in, owing to the miserable pay and standard of living among the Indian landless workers. The industrial workers are at present an entirely unnatural excrescence on Indian soil. Of the 318,000,000 people in India and Burma at the census of 1921, less than eight and a quarter million lived in cities with a population of 100,000 and upwards, of which there were only 35. India is still so overwhelmingly agricultural as to make it almost impossible for a western mind to comprehend what its economic conditions are. The urban workers, in Bombay for example, are almost exclusively composed of villagers recruited from up-country, who drift back to their villages in vast numbers as soon as a strike takes place. They are unbelievably inefficient in their labor, and all but immune against any appeal based on the basic

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principles of western civilization, the appeal to enlightened self-interest, the belief that given reasonable opportunity to better himself and his conditions a man will willingly work harder and make an effort to improve his own efficiency.

Much has been done in the last three decades with a view to improving the conditions of the industrial workers. The jute mills in Calcutta very wisely used some of their exceptional earnings during the war for expenditure on better housing, better sanitation and medical care and better factory conditions for the operatives. The Tata Iron and Steel Works at Jamshedpar have at times strained their financial resources in accepting responsibility for the erection of dwellings for their employees and for the maintenance of the whole of the public utility resources of the municipality. The position has admittedly been more difficult at Bombay, where owing to inexperience the cotton mill owners and managers, in the main Indians, dissipated an undue proportion of their war-time profits in big dividends. Yet few employers of labor in India fail to recognize that their labor is not cheap, in spite of the low wages paid. The difficulty is that experience has proved that increased money wages, so far from increasing efficiency, lead at once to increased absenteeism. The wage-earner does not want to become a more efficient urban industrial worker. His one ambition is to become the owner of a small plot of land, from the produce of which he can supply himself and his family with the minimum quantity of food necessary for subsistence with the maximum amount of leisure and idleness for himself. Any material change in this attitude and in these conditions can come only very gradually. There is no lack of eagerness among the officials, European and Indian, and among the Indian politicians, to find a solution, and increasing attention and expenditure are being devoted to what are rather pathetically styled the "nation-building services," the medical and sanitary services, primary education, education for girls, services aiming at the improvement of agricultural methods and credit. But it is and must be a long and slow process. Some of the attempted remedies, such as the extension of industrial productivity, urgently necessary as it is in India to have a better balanced economy, if openings are to be found for skilled Indian engineers and in general for the unemployed *Bhadralog*, not only of Bengal but of India as a whole, tend to increase the problem by increasing the number of the industrial workers. It is not surprising that clever emissaries of Bolshevism should find the urban

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industrial workers of India ready to listen to incitements to destroy their employers and the whole system of capitalist production, and find a swift remedy for their sufferings in universal chaos.

The communist movement, then, whatever its original source, is a form of unrest which is clearly economic. Thus far, however, it has not extended much beyond the urban proletariat, but it is capable of appealing to the Indian peasant. If the strong hand of the British were withdrawn, the Indian *ryot* would murder his landlord as readily as the Russian peasant. It is significant that hitherto its leaders are being drawn not from among the Indian peoples but mainly from Britain. Moreover, it repels rather than attracts the majority even of the extreme elements among the political opposition to the present government of India. Its danger lies in the appeal which it seems to be making to the leaders of the "Youth Movement" in India, with idealists at its head such as that very remarkable leader, Jewahurilal Nehru, who is genuinely in sympathy with the downtrodden masses of India and quite impervious to argument based on the necessity of proceeding cautiously towards a goal not immediately realizable.

So far only incidental mention has been made of the main body of political agitation in India, which is probably what most people have in mind when they speak of Indian unrest. When Mr. Edwin Montagu was advocating the big constitutional reforms which eventually took shape in the Government of India Act of 1919, he publicly expressed the hope and desire by means of constitutional reforms to shake the Indian peasant out of his pathetic contentment with his lot. It was clearly his aim by giving constitutional powers to the Indian peoples in the form of Legislative Councils in the provinces and attached to the Central Government, with elected majorities and the beginning of responsibility, to create an economic basis for the political unrest which already existed and which was rightly expected to be increased by the reforms which he was inaugurating. It is one of the not very numerous evidences of successful results thus far attained after some years' experience of the reforms that the professional politicians have everywhere given lip-service to the demand for improved economic conditions and have in many cases sincerely advocated and worked for them. In the Indian States where there has been least economic progress there is no political unrest. Further, in various instances, notably in the work done for village

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uplift by Mr. F. L. Brayne in Gurgaon, proof has been forthcoming that, under sympathetic stimulus and advice, the Indian peasant will welcome efforts to improve his lot and will himself take a part in the necessary campaign, even to the extent of inviting extra taxation provided it is spent on local services whose beneficial effect he can see and appreciate.

In general, however, it has to be confessed that the professional politicians of India are largely innocent of genuine economic motives. They are in the main drawn from the urbanized middle classes, a large proportion of them being lawyers who have vainly struggled for employment in the overcrowded ranks of their profession. Most of them have far less knowledge of the economic conditions of the Indian masses than the District Officers, Indian and European, whose ceaseless work for the people of their District is one of the most admirable features of government in India, and is in constant danger of being hampered by the efforts which are being made under the Reforms to further self-government and representative institutions. The British District Officer and the army officer, who is in close contact with the family life of his sepoys, know far more of the mind of the masses of India than either the Indian politician or the average official, British or Indian, in the secretariats at headquarters. Inevitably, also, the politicians are to a large extent Indians who have been influenced by western thought and knowledge of the English language, and their vision of the future of India in too many cases ignores the 300,000,000 out of the 318,000,000 people in India who are outside the intelligentsia, who for the most part are unconscious of the existence of Legislative Councils and Assemblies, and who are aware of the Reforms only to the extent of uneasy wonder whether the *Pax Britannica* may not shortly end with the withdrawal of the British from India and the return of the era of disorder and insecurity which the age-old philosophy of the Indian masses regards as normal.

The Swarajist or Congress Party is in reality the right wing of the non-coöperation movement. It is the party of direct action as against Gandhi's policy of non-resisting inaction, a clear proof that it is under the influence of western, non-Indian ideas. It broke away from Gandhi's leadership at the end of 1922, with the professed object of destroying the reforms, not by passive non-coöperation, but by taking a place within the new Legislative Councils and undermining them from within. Its hope was that

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the British would thereby be induced or compelled to concede the larger demand for full self-government. This party is at bottom entirely opposed to Mr. Gandhi's ideal and remains in nominal accord with him only by a series of meaningless compromises. Westernized in education, though not perhaps in outlook, and divorced from the life of the masses, its aim is to secure the transfer of power and patronage from the present British *Raj* to a *Raj* controlled by the Brahmins and other caste Hindus, but supported by the British army and the troops drawn mainly from the martial peoples of Northern India. Gandhi's ideal was quite different — the rejection of the west and a return to an idealized mediæval village life. There is nothing economic in the political unrest associated with the Swarajist opposition. The root cause is the clash of an alien western civilization with the Hindu social system, and the predominating motive is racial antagonism. It has been well said that of all the cultures with which Hindu civilization has been brought in contact, the western is the first which it has been unable to assimilate, and it is now suffering from an acute attack of indigestion.

The Swarajist Party is repudiated by all but a small fraction of the Moslems of India. Here comes in another and a secular cause of Indian unrest, the age-old feud between Hindu and Moslem, which dominates the whole political field. It has perhaps been intensified by the Reforms. The Moslem has been slow to take advantage of the opportunities for western education. With the prospect appearing on the horizon of a transfer of power to elected Indian representatives, he has waked up to the risk he runs of becoming the servant of a Hindu *Raj*, the inevitable sequel to the introduction of the idea of majority rule. The prospect of subjection to his former servants is unthinkable to the Moslem who regards himself as the descendant and heir of the Moguls and other Moslem overlords of India, and dreams always of the day when his glory will return. Economic causes are totally absent from this form of political unrest.

The conclusion must be that present day unrest in India is in the main the outcome of causes which have nothing to do with economic conditions. Racial antagonisms within India (India is a sub-continent far less homogeneous than Europe, with nothing but what Britain has created to make it a unity), the clash between east and west, the secular struggle of Hinduism as a social system to maintain itself against the threat of dissolution, reli-

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gious hatreds bitter to a degree unknown in the west even at the height of the struggle between Roman Catholic and Protestant — these are the mainsprings of Indian unrest. It is an article of faith with the ordinary Indian politician that India's poverty is due to western rapacity and the draining of wealth away from India. This belief is exactly contrary to the real truth. British capital and energy have added enormously to India's material wealth. Every penny of India's taxation is spent for India's benefit. But India is and will remain poor as long as she sets her face against all that makes for economic well-being. So far from the political unrest being due to economic causes, it will be a hopeful sign of real advance if and when it can truly be said that economic discontent has begun to make a serious contribution to the factors creating unrest in India.

This conclusion may seem a gloomy one for those who work and hope for the future well-being of India. The Hindu today, while resenting the acknowledged superior power of the west and anxious to wrest its secret from it, rejects the west and all that it offers in the way of material progress, which he declines to call progress. What was said of the urban industrial worker is to a large extent true of the whole of Hindu India. The westerner cannot rid himself of a fundamental misconception when he attempts to understand Indian problems. He knows that Sir William Bragg was right when he said that one simple cause has been continuously operative to create modern western civilization, "nothing more than the urgent wish of the individual to better his own condition." He knows that the motive of enlightened self-interest can be assumed and worked upon throughout the west. He cannot realize the almost complete absence of this motive in Hindu India. It is simply impossible to interpret political unrest in India in terms of economic striving after material well-being. The proverb about cutting off the nose to spite the face has no meaning there.

India is a land of curious contrasts. The vast majority of its peoples live so near to starvation that they can have scarcely a thought beyond the immediate problem of keeping alive. Yet few Indians will exert themselves beyond the point at which their minimum bodily needs receive satisfaction. At the other end of the scale, Hinduism has attained to heights of metaphysical thought not surpassed by any other civilization. Those of us who have come in contact with the higher ranges of Hindu philosophy

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are often uneasily conscious that there may be something very much amiss in the average western sense of values and its concentration upon material comfort. Yet until the masses of India begin to be aware of the possibilities of a standard of life and comfort immeasurably higher than that based upon their present indigence and their semi-starved frames, the least self-confident westerner cannot refuse to believe that his art of life is superior to that of Hinduism. In this belief he must continue patiently in the laborious and generally thankless task of trying to give to India the foundations, through education and medical and sanitary services, of those western ideals of material progress which have raised his own standards of life to their present levels. In doing this he will not be without hope that a re-invigorated India will in due course help herself and the world to reach a higher and truer sense of values than he possesses today.

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THE RUSSO-CHINESE CONFLICT IN MANCHURIA

By K. K. Kawakami

TO the world at large China's rupture with Soviet Russia over the Chinese Eastern Railway came as a bolt from the blue. To those who have followed the development of events in that part of the globe, however, it was the almost inevitable culmination of a controversy which in the last five years has more than once brought the two countries to the verge of hostilities.

The Chinese Eastern Railway Company was organized in 1896 in the wake of the Chino-Japanese war. It may even be said that Russia conceived it in Japan's victory over China. By the Peace Treaty signed at Shimonoseki on April 17, 1895, China ceded to Japan the southern tip of Manchuria, the Liaotung Peninsula. At once Russia, Germany, and France, at the initiative of the Tsar's Government, intervened and advised Japan to give back the territory within fifteen days, ordering at the same time all their warships then in the Far East to proceed to Japanese waters as a demonstration of their determination to back up their "advice" by force. The Russian note said that "the possession of the peninsula of Liaotung by Japan would be a constant menace to the capital of China, and at the same time render illusory the independence of Korea, and would henceforth be a perpetual menace to the peace of the Far East." The German note (written, curiously enough, in "pidgin" Japanese) was frankly insulting, stating in effect that Germany was so powerful that it would be foolish for Japan not to heed her admonition. Indeed, Japan was in no position to face three great Powers at once in the arena, and saw no alternative but to permit herself to be bullied out of the ceded territory. China, and especially Li Hung-chang who had signed the Shimonoseki Treaty, gloated over the Japanese disgrace, little suspecting that Russia's real scheme was to add the whole of Manchuria to its own map.

The first step in that direction taken by Russia after the tripartite intervention was the organization in December 1895, of the Russo-Chinese Bank, largely financed by French capital. That this bank was launched for the purpose of advancing Russia's imperialistic ambitions in the east was clear from the fact

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that, in addition to ordinary banking business, it was authorized to collect duties and coin money in China, to pay loans contracted by the Chinese Government, to acquire railway concessions and even to install telegraph wires within Chinese territory. Russia's next step was the conclusion with China of the secret treaty of May 1896, the Li-Lobanov treaty, acquiring the privilege to build a railroad through Manchuria from Manchuli in the north to Pogranichnaya (Suifenho) in the southeast, a distance of some 920 miles — the trunk line of the Chinese Eastern Railway now in dispute. It also provided for an alliance engaging the contracting parties "To support each other reciprocally by all land and sea forces against any aggression directed by Japan against Russian territory in Eastern Asia, China, and Korea." In addition China obligated herself to "open all Chinese ports to Russian vessels during military operations" and to allow Russia "free use of the railway for the transport and provisioning of Russian troops" in time both of war and of peace, while the Chinese soldiers and Chinese war materials were to be transported on the same railway at half the regular rate. Great as were the privileges conceded to Russia, China was by no means perturbed, as she was in a mood to welcome any measure which would spite Japan.

Upon the basis of this secret treaty of alliance an agreement was signed on September 8, 1896, between the Chinese Government and the aforesaid Russo-Chinese Bank, authorizing the bank to construct the projected railway between Manchuli and Pogranichnaya. The reason why the bank instead of the Russian Government signed the paper was because China insisted that as a matter of form the construction of the road should be undertaken as a private enterprise. To put this agreement into execution, the Russo-Chinese Bank promoted a company known as the Chinese Eastern Railway Company chartered by the Russian Government on December 4, 1896.

Before obtaining the Chinese Eastern Railway concession Russia had planned to extend the great Siberian railway along the northern bank of the Amur River and along the western boundary of the Maritime Province to Vladivostok. In accordance with that plan she had already built a line from Vladivostok to Habarovsk in the east, while in the west the Siberian line had been extended to Stretinsk. Between Stretinsk and Habarovsk there had remained a gap of 1300 miles. By changing this course so as to extend the Siberian line due east from Chita and through

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Manchuria to Vladivostok, Russia could shorten the road by 560 miles. That was one reason for Russia's eagerness for the Manchurian concession. Another reason, more significant than the first, was that Russia, in her age-long quest for a "warm-water" outlet, had fixed her eyes upon Dalny, the best natural harbor of Manchuria, as the eventual substitute for Vladivostok, ice-bound more than half the year. When, therefore, she obtained the right to extend the Siberian railway through North Manchuria to Vladivostok, she undoubtedly had it in mind eventually to build a branch line through South Manchuria down to Dalny, now called Dairen by the Japanese. To attain this end Russia, by the convention of March 28, 1898, obtained a lease, in reality annexation, of the Kwantung peninsula, including Dairen and Port Arthur — the very territory of which she had only three years before deprived Japan in the name of peace. She then proceeded to build a spur from Harbin, on the Chinese Eastern Railway, to Dairen. The rest of the story is a matter of common knowledge — how Russia's steady aggression called forth protests from the United States, England, and Japan, how Japan faced Russia single-handed in the arena of battle, and how the Portsmouth Treaty of September 5, 1905, transferred to Japan the Russian lease of the Kwantung peninsula, and that part of the railway from Harbin to Dairen (now called the South Manchuria Railway) thus righting, at least partly, the wrong which the Japanese thought had been inflicted upon them by the tripartite intervention of 1895.

Now we may proceed to examine the original composition of the Chinese Eastern Railway Company. Its president, a figurehead, was to be nominated by the Chinese Government, naturally but not necessarily a Chinese. The president and nine directors elected by the shareholders were to constitute the board of management. The vice-president was to be chosen by and from among the members of the said board, which was also to appoint an audit committee of five members. All members of the board, except the president, and of the committee, were to be approved by the Russian Minister of Finance. The share capital of the Company was fixed at five million credit rubles, divided into one thousand shares. Shareholders were to be exclusively Russians and Chinese. Additional capital was to be raised by issuing bonds from time to time with the approval of the Russian Finance Minister.

From the above it would appear that the Chinese were entitled

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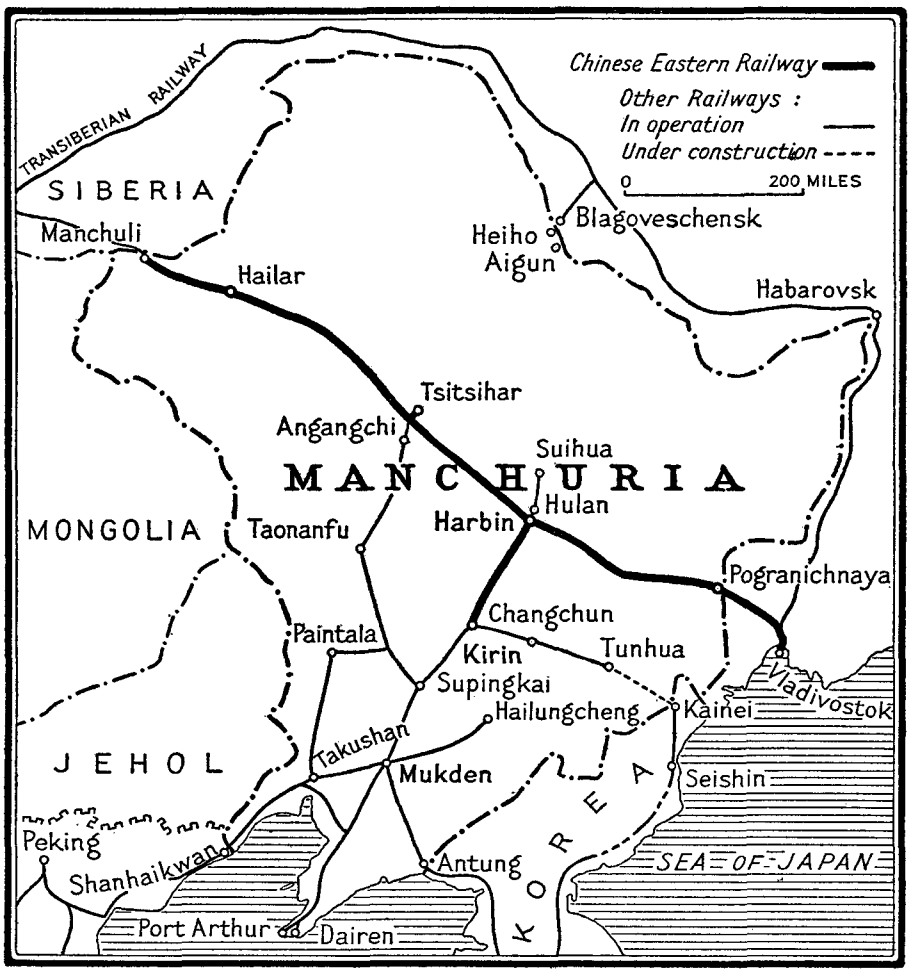
to become shareholders as much as the Russians. As a matter of fact the shareholders were almost entirely Russians. This was done in open discrimination against the Chinese. The sale of shares was opened at one o'clock on a certain afternoon at St. Petersburg, and was closed in five or ten minutes. In such circum-



THE CHINESE EASTERN RAILWAY

stances Russian monopoly was a foregone conclusion. But even to the Russians it was doubtful whether the shares were really sold in the open market. The fact seems to be that all shares were taken outright by the Ministry of Finance. The Chinese claim that no one has ever seen any shares and that at the shareholders' meetings the common practice has been to recognize any Russian

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or Chinese as a shareholder. Naturally, in the old days, such meetings were "packed" with Russians, which effectively excluded the Chinese from the management of the company. Except the titular president, its officials were all Russians, with the Russian Minister of Finance reserving the right to pass upon their appointments.

The agreement between the Chinese Government and the Russo-Chinese Bank, as well as the statutes of the Chinese Railway Company, provides for the redemption of the road by China. In the phraseology of the statutes, the Chinese Government, "on the expiration of thirty-six years from the time of completion of the whole line and its opening for traffic," has "the right of acquiring the line on refunding to the company in full all the outlays made on it, and on payment for *everything done for the requirements of the railway*, such payments to be made *with accrued interest*." This raises the question of how much Russia expended on the railway. It is estimated that the construction of the entire Russian system in Manchuria, totalling some 1550 miles (including the Chinese Eastern and the branch from Harbin to Dairen and Port Arthur) cost approximately 450,000,000 gold rubles. Expenditure for the Chinese Eastern line alone amounted to about 350,000,000 rubles, to which 100,000,000 rubles must be added for the building of the city of Harbin. This excessive outlay was due partly to the great dispatch with which the whole system was completed, and partly to the fact that Russia hoped to impress the Chinese with her power and wealth by erecting imposing structures along the line and especially at Harbin. To these the third reason may be added, as has been done by Chinese critics, namely, that Russia purposely made the expenditure so great that China would never be able to redeem it. The agreement between the Chinese Government and the Russo-Chinese Bank also provided that the Chinese Eastern line, at the expiration of eighty years from its completion, "will pass free of charge to the Chinese Government."

As is clear from the foregoing, the Tsarist Government saw to it that the Chinese Eastern Railway would be a purely Russian property. The railway company enjoyed "the absolute and exclusive right of administration" within the railway zone, which consisted of "lands actually necessary for the *construction, operation, and protection* of the line," as well as "lands in the vicinity of the line necessary for procuring sand, stone, lime, etc."

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The lands thus acquired by the railway company totalled 514 square miles. Besides "the absolute and exclusive right of administration" within this zone, the railway company relegated to itself the right and duty of preserving law and order there. Before the outbreak of the World War the Russians placed along the Manchurian line 70,000 soldiers as railway guards.

Matters stood thus as long as the Tsar held sway. Then came the great revolution of 1917 which inevitably weakened the Russian hold upon Manchuria. In December of the same year the Chinese authorities disarmed and expelled from Manchuria the Russian Workmens' and Soldiers' Delegates who had come there to dislodge the "Whites" from the administration of the Chinese Eastern Railway. This was followed by the appointment of a Chinese official as president of the company, the post which had been left vacant for seventeen years after the first and only president was executed by the Chinese Government in 1900 because of his opposition to the violent Boxer rebellion. For the first time since the inauguration of the company in 1896 China made a more or less effective attempt to assert her sovereign rights in North Manchuria, her own territory.

Taking advantage of the increasing chaos in Russia after the fall of the short-lived Kerensky régime, China gradually extended her influence over the management of the Chinese Eastern line. She proceeded to put in her own "general manager" of the railway, though no such appointive authority had ever been granted her by any treaty or agreement. Three new Chinese directors were appointed in place of Russians. Finally, the policing of the railway which, as we have seen, had been partially transferred to China in December, 1917, was now entirely entrusted to the Chinese military authorities at Mukden.

This *coup* naturally called forth a vigorous protest from the Russo-Asiatic Bank which at the outbreak of the Russian revolution had been entrusted by the Tsarist Government with the safekeeping of the railway shares owned by the Finance Ministry. The bank, having been organized largely with French capital, was backed in its protest by the Quai d'Orsay. But China, knowing that the Powers of Europe, exhausted by the war, could not resort to high-handed measures, gave little heed to the French remonstrance. The protracted parley ended in the agreement of October 2, 1920, a great victory for the Peking Government, appointing four Chinese, besides the Chinese president, to the

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board of directors, whether such Chinese were shareholders or not, and ruling that in the event of a tie vote the president should have a casting vote in addition to his vote as a member of the board. The Chinese Government, moreover, was empowered to appoint two Chinese to the audit committee of five members, formerly all Russians, one of the two Chinese to be chairman. Other important positions in connection with the railway were to be equally divided between the Chinese and the Russians.

In the meantime Soviet Russia had come forth with amazing proposals. In 1919 Karakhan, Vice Commissar of Foreign Affairs (the man who is now defending the Russian claim upon the Chinese Eastern Railway), issued a declaration stating that the Soviet Government "has given up all the conquests made by the Tsarist Government which took away from China Manchuria and other territories," and that it "returns to the Chinese people, without demanding any kind of compensation, the Chinese Eastern Railway as well as all mining concessions, factories, gold mines, and all other things which were seized from them by the Government of the Tsar, that of Kerensky, and the brigands, Horvath, Semenov, Koltchak, the Russian ex-generals, merchants and capitalists."

This pronouncement was to the Chinese like strong wine, intoxicating them with the hope that the bag of gold, so long at the end of the rainbow, would soon be in their lap. In the year following, Russia issued another declaration elaborating that of the preceding year, but somewhat modifying the previous proposal regarding the Chinese Eastern Railway. Unlike the unqualified renunciation of 1919, it said that Russia would "sign a special treaty on the way of working of the Chinese Eastern Railway *with due regard to the needs of the U. S. S. R.*" This naturally dampened the Chinese enthusiasm. Still the overture was alluring enough, and the Chinese really believed that Soviet Russia meant to relinquish the Chinese Eastern. In this China was doomed to disillusionment. For when Adolph Joffe, famous as the author of the Brest-Litovsk treaty, came to Peking as the first Soviet diplomatic representative to China, it became evident that the 1919 declaration, as far as it concerned the railway, was but a bait held out to lure China into recognizing the Soviet Republic. Joffe categorically denied that his government had committed itself to the rendition of the Chinese Eastern line. He asserted that the 1919 declaration merely laid down the

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general principle of Soviet policy in the east. Meanwhile Karakhan, author of that historic declaration, announced at Moscow that "even if Russia vests in the Chinese people her title to the Chinese Eastern Railway, this will not annul Russia's interest in this line, which is a portion of the great Siberian Railway and unites one part of the Russian territory with another." By this specious argument he tried to retract his pledge of 1919. In such circumstances Joffe could accomplish nothing in the way of Chino-Russian accord. Leaving Peking in disgust on January 16, 1924, he went to Shanghai on his way to Japan, and there came to a sort of understanding with Dr. Sun Yet-sen who was destined to become the idol of the Chinese people. In regard to the Chinese Eastern they agreed that "the existing railway management should be temporarily reorganized," "*without prejudice to the true rights and special interests*" of either China or Russia. Sun Yat-sen also told Joffe that Chang Tso-lin, war lord of Manchuria, should be consulted on the railway question. About this time Sun Yat-sen, conscious that his political ideas could not be realized without military support, had been befriending the Manchurian general.

That Soviet Russia attached extraordinary importance to the winning of China may be judged by the fact that Karakhan himself came to Peking in September 1923, determined to coax the Chinese Foreign Office into signing a treaty. Upon his arrival in the Chinese capital Karakhan let the cat out of the bag by demanding formal recognition of the Soviet Government by China before he would enter into negotiations on other problems. This China rejected, knowing that once she recognized the Soviet she would lose the trump card which she might use in wresting concessions from Russia. The dickering which lasted nine months resulted on May 31, 1924, in two agreements — one "On General Principles for the Settlement of Questions" between the two countries, the other "For the Provisional Management of the Chinese Eastern Railway." Although the agreements conferred upon China few rights which had not already been acquired by her through the 1920 agreement with the Russo-Asiatic Bank described in a preceding passage, they were hailed by the Chinese as a great victory, for while the 1920 agreement was made with a private financial institution, which the Soviet Government refused to recognize, the new agreements were concluded with that government, thus clothing with official sanction the *de facto* authority China had already exercised over the Chinese Eastern

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Railway. Next to the treaty concluded with Germany in May 1921, the 1924 agreement with Soviet Russia "On General Principles" was China's first equal treaty, which, as a Chinese author, Dr. Ken Shen Weigh, says, "opened a new era in the diplomatic history of China," and which furnished "a foundation upon which China has striven to build a new structure of her international relations." The instrument, indeed, abolished the extraterritoriality of the Russians in China, and annulled all treaties and agreements concluded between the Tsarist Government and any third party or parties affecting the sovereign rights of China. It agreed to replace all the unequal treaties and agreements concluded by the old government with new ones to be made "on the basis of equality, reciprocity, and justice." Russia, moreover, renounced her share in the Boxer indemnity. With reference to the Chinese Eastern Railway, it declared the line "a purely commercial enterprise." As a corollary to this declaration it recognized China's right to administer the railway zone in "all matters affecting the rights of the national and local governments of China such as judicial matters, matters relating to civil administration, police, municipal government, taxation, and landed property (with the exception of lands required by the said railway)."

Undoubtedly these renunciations on the part of Russia were of great value to China morally, politically, and materially. The Soviet claimed that by these renunciations it faithfully fulfilled its obligations implied in the 1919 declaration, for they restored to China political rights over the Chinese Eastern Railway and its zone, thus converting the line into a business enterprise, pure and simple, to be managed jointly by the Russians and Chinese in accordance, in the main, with the principle of "equal representation." We say "in the main," because when we examine the agreement "For Provisional Management" in detail we find that the prescribed division of authority between the two nations still gives Russia a certain margin of "superiority." To begin with, the new agreement provided for a board of ten directors, five from either side, of whom one, a Chinese, was to be the president. Under the old arrangement with the Russo-Chinese Bank, the Chinese president of the board had a casting vote in addition to his vote as director. The new agreement is silent on this point. In the second place, it created a board of five auditors — three Russians and two Chinese, a plain departure from the

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principle of parity, though one of the two Chinese was to be chairman. Thirdly, and this is most important, the general manager was to be a Russian, assisted by a Russian and a Chinese assistant manager. Fourthly, the agreement did not say that the principle of equal representation should be applied to the appointment of department chiefs and assistant chiefs. It simply said that if the chief of a department should be a Russian, the assistant chief should be a Chinese, and *vice versa*, which was, of course, a very different thing from equal representation. Fifthly, the "employment of persons in the various departments" was to be equally divided between the Chinese and Russians, but this general principle was modified by a joint declaration by Karakhan and Koo to the effect that this parity provision should not be interpreted so as to cause dismissal of the present employees of Russian nationality "for the sole purpose of enforcing the said principle." Lastly, the agreement "On General Principles" recognized China's right to purchase the Chinese Eastern Railway, but this right was virtually nullified by a clause inhibiting China from raising any foreign loan for that purpose. In any event China never would, even if she could, invoke this redemption clause, if the Soviet's valuation of the property was to be based upon the *ancien régime's* expenditure on the railway which we have already noted. However, the question of valuation, as well as the question of transfer or reversion of the railway to China, was left for further negotiation.

The 1924 agreements, though signed for the Chinese Government by V. K. Wellington Koo, then Foreign Minister, had been mostly negotiated by Dr. C. T. Wang in the capacity of special commissioner. When an agreement had practically been arrived at between Wang and Karakhan, the Chinese Cabinet, inspired, as was generally believed, by Foreign Minister Koo, who was jealous of Wang's rising star, made certain objections. Consequently Wang resigned, and Koo, who resumed negotiations with Karakhan, concluded agreements which differed little from those negotiated by the resigning commissioner. What irony of fate that today Wang, as Nanking's Foreign Minister, should be accusing the Soviet of the violation of a treaty concluded by his political rival, while Karakhan, Moscow's Vice Commissar of Foreign Affairs, is now again matching wits with Wang, defending the Soviet's interests in the railway which he had all but forfeited in his 1919 declaration!

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We have examined the essential features of the 1924 agreements as far as they dealt with the railway. Obviously the Soviet saw to it that under a pretense of equal representation controlling power remained in its own hands. Not only in the management of the railway but in the number of the employees the Russians outclassed the Chinese. Before the recent rupture the railway had some 30,000 officials and employees, of whom seventy-five percent were Russians. Actual management and all essential work relative to operation and maintenance were in Russian hands. No Chinese were employed as engineers or conductors. Almost all station masters were Russians. The purchase of materials required by the railway was done by Russians. Only a few of the technical experts were Chinese. The operating and accounting departments were controlled by Russians. No doubt the Soviet can justify its solicitude to retain an advantageous position in the management of the Chinese Eastern by pointing to the deplorable condition of all Chinese-controlled railways throughout China — by pointing, in particular, to what happened to the Shantung railway after it was returned to China by Japan. No one who has watched the increasing degeneration of those railways can be sure that the Chinese Eastern, once it is entirely under Chinese control, will effectively function as an important part of the great highway linking Europe with the Far Orient.

In order to put into effect the Chino-Soviet agreements of May 1924, Karakhan found it necessary to conclude a separate agreement with Marshal Chang Tso-lin, the all-powerful war lord at Mukden. This Chang-Karakhan agreement, signed at Mukden on September 23, 1924, was identical with the Koo-Karakhan agreements signed at Peking, except that the former reduced the time-limit for the unconditional reversion of the railway from eighty years, as in the original agreement of 1896, to sixty years, while the latter left this question to future negotiation.

Thus armed with an understanding with Marshal Chang, the Soviet proceeded forthwith to force all "White" Russians out of the railway administration. In October 1924, Ostroumov, "White" general manager, was dismissed, as were his colleagues and assistants, remnants of the Tsarist or Kerensky régimes. But Marshal Chang, himself a reactionary, was at heart sympathetic towards the "Whites," and watched "Red" ascendency with no small misgiving. And so when, in May 1925, Ivanov, the new Soviet general manager, took steps towards the wholesale

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dismissal of "White" officials and employees of the railway, the Manchurian war lord called a halt to this program, and rushed to Harbin a large contingent of soldiers to back up this intervention by force. Had the Soviet been prepared to accept the challenge it might have struck a blow then and there, but it was not. Its acquiescence in Chang's interference made the Chinese feel that after all the "Reds" were easy to manage. Half a year later Marshal Chang arrested Ivanov for no other offense than that the Soviet general manager refused to transport Chang's soldiers without receiving advance payment of fares at half the regular rate, as prescribed in the agreement of 1896. As this incident explains in a large measure the harassing difficulty experienced by all Chinese railways, and is, furthermore, certain to be repeated in more or less modified form, we may describe it at some length.

From the time Chang Tso-lin replaced the Russian railway guards with his own soldiers, in 1920, he demanded free passage for these Chinese guards whether travelling on or off duty. As a matter of fact they seldom paid fares. To this practice the Soviet manager of the Chinese Eastern persistently objected. Then there was the question of transporting Chang's troops, not railway guards. Chang demanded that the troops should be transported without payment of fares at the time of their embarkation, accounts to be settled later when convenient to him. Of course, accounts were never settled in spite of repeated remonstrances by the Soviet manager. Then came the spectacular rebellion of General Kuo Sung-ling against Marshal Chang in December 1925. Although Chang, with Japanese support, moral or material, managed to quell the revolt, his prestige and power suffered so great a setback that the Soviet thought it the time to settle the old score. Yet Chang was still too powerful to be brought to terms so easily. On January 21, 1926, he put Ivanov under arrest and kept him in imprisonment for four days, releasing him only after he had agreed to the following terms: (1) That the Chinese railway guards, using the railway on duty, should have free passage; (2) that they should pay fares when not on duty; (3) that the transportation of troops would not necessarily be paid for in advance but should be paid for as promptly as possible after the date of transportation. These terms show that Chang made no material concession, for his agreement to pay for the transportation of his troops "as promptly as possible" meant that payment might or might not be made as convenient.

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Thus did the war clique at Mukden test its mettle against the Soviet, not once but twice, and twice did the Soviet fail to take up the challenge. Meanwhile, "White" Russians flocked to Mukden, eating crumbs from the war lord's table, and plotting with him against their "Red" brothers. To make matters worse for the Soviet, many of the Russian émigrés, destitute and starving, begged their Chinese neighbors for work or even for bread, many of their womenfolk compromising their honor or becoming concubines of Chinese. The full significance of this tragedy can be realized only by those who knew the palmy days of the Tsarist Empire when the Russians in Manchuria treated the Chinese as if they were the scum of the earth, the Chinese themselves looking upon the Russians with awe and respect. Now the tables were turned, and the Chinese began to think that they could treat the Russians as they pleased. In such circumstances the position of the Soviet manager of the Chinese Eastern became increasingly difficult. Harassed by Chinese pressure and hampered by ill health, Lashevitch, successor of the humiliated Ivanov, committed suicide in Harbin in July 1928. He had been bullied by Marshal Chang into acquiescing in an arrangement whereby the profits of the railway, amounting to some 30,000,000 rubles, heretofore deposited in the Soviet Dalbank in Harbin, were equally divided between Mukden and the Soviet. He had also agreed that in the future all the railway earnings should be deposited in equal amounts in the Soviet bank and Marshal Chang's bank, called the Bank of the Three Eastern Provinces. Once the money passed into the Chinese bank it was seldom used for the upkeep or improvement of the railway but was usually wasted in aimless political gambles.

With the Chinese share of the fund thus going astray, the Russians were not willing to use their share for the maintenance of the road. Naturally the Chinese Eastern Railway has dangerously deteriorated. Although the company's ledger shows an annual profit of some 30,000,000 rubles, this is made possible at the expense of the road and the rolling stock and by callous indifference to the interests of its creditors. Again, in former years education in the railway zone was administered by the railway company, which appropriated an annual fund of some 2,400,000 rubles for that purpose. For seven years from 1920, Marshal Chang, coveting this fund rather than educational authority, persistently demanded that all schools in the zone be handed

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over to him. In December 1927, the Soviet, unable to hold out any longer, agreed to a compromise whereby the annual educational fund was divided equally between the Chinese and Russian schools. It was the common belief in Manchuria that the Chinese half of the fund was as usual squandered in furthering Chang's politico-military ambitions.

In numerous other ways the Chinese have clipped the wings of the Russians. They have long since confiscated the river steamers belonging to the railway and are determined to take over the telegraph and telephone system of the railway zone. They have gained a control of the Russian Technical School, the Russian Museum, and the Russian Library in Harbin, though such institutions, if left in Russian hands, would perhaps better serve the purpose for which they were established. Even more galling to the Russians is the unceremonious, not to say brutal, treatment to which they have been subjected at the hands of Chinese railway guards and Chinese officials. Submissive when dominated by superior power, the Chinese, especially of the ignorant class, often became quite ruthless when given authority. Even to a casual observer this is all too noticeable. Travel on the Chinese Eastern Railway from Pogranichnaya to Manchuli, and you cannot fail to see Chinese soldiers, who pay no fares, crowding out or administering rough handling to civilian Russian passengers, or even taunting and insulting Russian conductors. There are some 150,000 Russians in the railway zone in Manchuria, Harbin alone harboring 80,000. As early as 1920, when the Chinese had just begun to assert their rights against the Soviet, many of these Russians organized a patriotic society for self-defense against Chinese oppression. In a pamphlet published in Russian in that year this society enumerated six hundred cases in which the Chinese railway guards attacked Russian railway officials or subjected Russian residents, including women and children, to extortion, brutality, and persecution. Before the revolution of 1917 it was the Muscovite who lorded it over the Manchu. Now the rôles are reversed.

Just before the Chinese, or rather Manchurian, authorities raided the Soviet consulate in Harbin on May 27 last, Chang Hsueh-liang, son and successor of the late Marshal Chang Tso-lin, had been pressing various serious demands upon the Soviet. The first demand was that the Russian chief of the commercial department of the Chinese Eastern Railway, who did all purchas-

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ing for the railway, be replaced by a Chinese. To one who knows the common practice among the Chinese in such positions, the motive of this demand is clear. Secondly, Chang wanted to detach the telephone and telegraph system from the railway and control it himself, though the wires had been installed as one of the necessary appurtenances of the railway. Thirdly, he wanted the chief of the accounting department of the railway to be a Chinese. The fourth demand was that all lands heretofore controlled by the railway company but not essential to the maintenance and operation of the line be returned to China. Last but not least, Chang demanded that the mines and forests owned by the railway be relinquished in favor of the Chinese Government, though this demand contravened an article of the statutes of the railway which empowers the company "to exploit, in connection with the railway, or independently of it, coal mines, as also to exploit in China other enterprises, mining, industrial, and commercial."

These demands the Soviet struggled to ward off. By May the situation had become so serious that Melnikov, the Russian Consul General at Harbin, called to conference his colleagues and Soviet leaders throughout Manchuria. When, on May 27, forty of them were holding a meeting at the Harbin consulate, the Chinese police swooped down upon the scene and arrested them all. This was followed on July 10 by the summary dismissal by the Mukden authorities of the Russian general manager of the Chinese Eastern Railway, the Russian chiefs of the various departments, and other Russian officials in important positions in the railway management, in all three hundred. The published reason for these highhanded actions was that the Russian consulate had been used for the propaganda of the Third International, and that the Russian officials of the railway had been involved in the same sinister activities. It is a charge easy to conjure up but difficult to refute. China, knowing that "Reds" are unpopular in Europe and America, has exploited Soviet propaganda, real or alleged, to discredit Russia before the world.

In support of this accusation China invokes an article in the 1924 agreement which reads as follows: "The Governments of the two contracting parties mutually pledge themselves not to permit, within their respective territories, the existence or activities of any organization or group whose aim is to struggle by acts of violence against the Government of either contracting party." Although the phraseology of this article is awkward and am-

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biguous, it is plain enough that the obligation not to permit disruptive propaganda is mutual. Has China lived up to her part of the obligation? Has she not connived at, if not actually encouraged, the "White" Russians within her territory, especially Manchuria, to plot against the Soviet régime? At any rate China's charge of "Red" propaganda is a red herring drawn across the path of public judgment.

The long and short of it is that the Chinese Government, whether Nanking or Mukden, has set its mind upon sometime or other ousting the Russians, "Red" or "White," from the administration of the Chinese Eastern Railway, and upon operating it much as it pleases, regardless of the effect of such a course upon the interest of the railway. And the Mukden military clique, having so often cowed the Soviet representatives at Harbin into submission, without evoking any effective protest from Moscow, thought that they could again walk rough-shod over them. Now the two nations are to open pourparlers for the settlement of the old issue. The conference, though called in unfortunate circumstances, may be viewed as the reconvening of the fruitless parley which was held in a desultory fashion in the course of 1925 and 1926 in accordance with Article 2 of the 1924 "Agreement on General Principles." That article provided that the two governments should "hold, within one month after the signing of the present Agreement, a conference which shall conclude and carry out detailed arrangements relative to the questions" dealt with in the said instrument. These questions included a commercial treaty, the re-demarcation of national boundaries, the navigation of waterways, etc. Here, however, we are concerned only with the railway question.

In the railway question the first thing to be done is to reapportion authority or management between China and Russia. As we have seen, the 1924 "Agreement for Provisional Management," under an ostensible principle of equal representation, allowed Russia a certain preponderance. This China will seek to reverse. At the time these words are being written, China is reported to have already proposed that Russia surrender to the Chinese the post of general manager. She will also demand that the commercial and accounting departments be under Chinese chiefs. At any rate China will insist upon real and not nominal parity, with perhaps a certain advantage on her side. The next important matter to be settled concerns the land acquired by the

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Chinese Eastern Railway Company by virtue of the original agreement of 1896. Ever since Chang Tso-lin in 1920 temporarily seized the Land Office of the company, the question has been a subject of dispute between the Chinese and the Soviet. China will also raise the question of jurisdiction over the telegraph and telephone system, which, though properly appertaining to the railway, the Chinese assert has been used by the Soviet for "Red" propaganda. It is also possible that China will seek to detach mining and forestry enterprises from the railway, for the Mukdenites, and for that matter the Nankingese too, seem to be particularly covetous of all such rights as will give them immediate material return. But these things cannot be legally done without first revising the original 1896 agreement between the Chinese Government and the Russo-Chinese Bank, as well as the statutes of the Chinese Eastern Railway Company — both remaining valid except those of their provisions which plainly violate the provisions of the 1924 agreements. Therefore, the revision of the aforesaid two documents will, or should, be one of the chief subjects on the agenda of the conference. The conference will also discuss the "amount and conditions governing the redemption" of the railway, though, I think, this will be largely a matter of form, for China, without recourse to a foreign loan which is inhibited by the 1924 agreement, cannot hope to redeem the line at the price likely to be demanded by Russia. The time-limit for the unconditional reversion of the road is another matter to be considered. In the 1896 agreement the limit was fixed at eighty years from the date of opening of the line to traffic, *i.e.* November 3, 1901, and in the 1924 agreement between Mukden and Moscow, at sixty years. With little hope for redemption, China will try to make the reversion period as short as possible.

Russia will not concede what China wants in these matters without a struggle. So long as her traditional idea persists that she must have under her control the shortest possible route to Vladivostok, so long will any Russian Government, Soviet or otherwise, strive by all means, perhaps even war, to keep what is left of her once complete domination of the Chinese Eastern Railway. Whatever may be accomplished by the Chinese and Russian delegates at the pending parley will not be the final solution of the vexed question. And the unbiased chronicler of events will have to close his chapter with the familiar words: "And the end is not yet."

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THE NEW TEST FOR BRITISH LABOR

By Harold J. Laski

THE essential result of the British General Election is a declaration that the temper of the new electorate is definitely progressive. The Labor victory was not a victory for socialism. It was a verdict of deliberate dissatisfaction with the policy of "do-nothingism" in the domestic field, and of stagnation, if not reaction, in foreign affairs, which was the attitude of Mr. Baldwin and his colleagues. The accession of Mr. MacDonald to office was the outcome of a sense that what was required in the British situation was a positive and not a negative outlook. The electorate was weary of a tepid goodwill to which no results could be attributed. It disliked the atmosphere of retrogressive failure which surrounded Sir Austen Chamberlain. It was dissatisfied with the unwillingness of Mr. Baldwin to grapple with the problem of unemployment. It was discontented with the absence of a forward movement in things like education, housing, social welfare. The electoral returns, if they mean anything, mean that Mr. MacDonald has a mandate for a creative foreign policy and a bold domestic policy. He is not, the returns suggest, to be socialist; he is entitled to be socialistic. It is in the adjustment he can make to that nice distinction that the history of the next few years will be found.

It is worth while to analyze the election results in their broad context before we seek to draw deductions from them. Their outstanding feature is the movement of industrial England to Labor. Birmingham, Manchester, Leeds, Bradford, Newcastle, Liverpool, Glasgow, in all such great cities the gains recorded mark the culmination of a movement away from Conservatism which has added strength at each election since 1918. The same is true of the working-class districts of London. It is true also of those country areas where industrialization has made inroads upon a previously rural district. The mining areas remain so emphatically Labor that other parties can hardly be said to exist there save as ghosts. Certain Labor victories in "dormitory" constituencies show that the new housing schemes bring with them a Labor element which dwarfs the genteel respectability which formerly brought the electorate into the Conservative camp.

Conservatives remain firmly entrenched in the counties and the

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suburbs. Where they have lost seats to the Liberals, as in Cornwall, Devon, Bedford and East Anglia, the basis of their defeat has been the persistence of a strong Nonconformist tradition which has made those areas accessible to liberal ideas, always since 1868, and often since 1832. It is notable that, in these Nonconformist counties, still hardly touched by industrialism, Labor so far has hardly been able to compete effectively with Liberalism. Counties like Sussex, Surrey, agricultural Kent, Hampshire, remain (excluding the towns) overwhelmingly Conservative. Labor victories in Southampton, Plymouth, Portsmouth and Sunderland suggest that the ancient Conservative hold over dockyard constituencies has at length been shaken. In Wales, Labor possesses the big towns and the mining districts, Liberals the agricultural counties. In Scotland, broadly speaking, the towns and the mining districts are, once more, Labor; Liberals have a hold on the Highlands, and the Conservatives on the rich residential areas of cities like Edinburgh and Glasgow.

So much on the geographical features of the results. In the country as a whole some twenty-two million people recorded their vote, or, roughly, seventy-nine percent of the electorate. Of these, eight and a third millions voted Labor, eight and a half millions Conservative, and five millions Liberal. On the contested elections Conservatism has, roughly, one seat for each 33,000 votes polled, Liberalism one for each 99,000 and Labor one for each 29,000. Labor holds 289 seats, 123 of them by a minority vote; Liberals 57, of which 39 are minority seats; the Conservatives 258, of which 144 are minority seats. In the House as a whole, Labor is twenty short of an actual, and forty short of a working, majority. But the MacDonald government cannot be defeated by Conservative votes alone; unlike the position in 1924, when the Conservatives were the largest party, it will need a definite combination of Conservatives and Liberals on a central issue to bring down the Labor administration.

II

The Labor victory, I have said, represents the triumph not of socialism, but of socialistic principles. It is in those terms that Mr. MacDonald has formed his Cabinet, which is definitely right-centre in composition. He himself, very wisely, has not sought this time to direct foreign affairs; he is essentially the coördinator of general policy, with a special interest in the Anglo-American

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problem. His appointment of Mr. Arthur Henderson to the Foreign Office has been criticized; it is in fact the best appointment he could possibly have made. Shrewd, judicious, with a real genius for organization, Mr. Henderson has a wide knowledge of international affairs. As president of the Amsterdam International he knows the new Europe intimately; he knows America; in 1924 he was an outstanding success at Geneva. With Mr. Dalton and Professor Baker as his assistants, he has the ablest personnel of any of the Departments; and the temper in which he approaches his task has already been shown by his appointment of Lord Cecil to a special advisory post on League affairs with a room in the Foreign Office. The unemployment problem is in the hands of Mr. Thomas, with Mr. Lansbury and Sir Oswald Mosley as his lieutenants. Mr. Thomas has immense qualifications for his task. No trade union leader knows better the personnel of the business world; none is a more persuasive or skilful negotiator. He is fertile in expedient and cautious in construction. Mr. Lansbury has an unequalled knowledge of local government; and time has dimmed a good deal of his extremism. Sir Oswald Mosley is an untried force. Save Mr. Churchill, he is the most brilliant rhetorician in the House of Commons; but no one, I think, would yet venture to predict that he is more. All that one can say is that the depth of his ambition is enough to assure every effort on his part to help Mr. Thomas to success, since his future is largely bound up with the capacity of the government to reduce unemployment.

Certain other figures in the Cabinet need a word of emphasis. Mr. Snowden is, after Mr. MacDonald, the most widely known figure in the Labor movement. He has tenacity, determination, knowledge; if he has a fault, it is a certain streak of conservative obstinacy upon the classic theories of finance. But it is at least certain that, in his hands, there will be no laxity of administration at the Exchequer. Sir John Sankey, who becomes Lord Chancellor, is the eminent judge who in 1919 surprisingly sponsored the nationalization of the mines in the famous Sankey report. He has a vigorous mind, and combines therewith a moral power and grasp of principle which have rarely been surpassed by any holder of his office. By temper he is radical, and the signs already accumulate that he may well prove a great law reformer. Captain Wedgwood Benn, who in taking the India Office has accepted perhaps the most difficult Cabinet post, is an ex-Liberal with a great House of Commons reputation. He is new to adminis-

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tration, and as yet it is only possible to say that he has shown courage in submitting to so stern a test. Mr. Alexander, the First Lord of the Admiralty, is a representative of the Coöperative Movement and one of the "discoveries" of the last Labor government. Without intellectual distinction, he is forcible, determined, and firm; I do not think it likely that he will accept any policy ready-made from the Admiralty experts. Miss Bondfield, the Minister of Labor, is the first woman in England to become a Cabinet Minister. Though eloquent and hardworking and immensely popular in the Labor movement, she has not, I believe, either the intellectual grasp or the power of organization necessary to the pivotal post she holds. Mr. Greenwood, the Minister of Health, is an expert at his subject; and it is fairly certain that he will be one of the outstanding successes of the administration.

No two minds would draw up exactly the same administration. Let it then be said at once that, granted his type of mind, in both ability and character, Mr. MacDonald's government is a powerful combination. It is definitely pacifist in foreign policy; it is capable of a radical experimentalism in domestic affairs. It is not likely to err on the side of striking innovation; it is certainly capable of definite achievement.

What is it likely to do? Prophecy must be set in the background of its origins, on the one hand, and Parliamentary facts on the other. It was elected because it was the obvious progressive alternative to Mr. Baldwin, and not because the British electorate, between 1924 and 1929, became suddenly coverted to socialism. Mr. MacDonald has shown clearly, by the King's Speech, that he intends a policy of cautious radicalism. He seeks to remain in office for at least two years. He will try, therefore, to avoid such pitfalls of innovation as would force his opponents to combine against him. His task is to produce a policy against which the Liberals could not vote without self-destruction at the next election.

What this involves, at least in terms of foreign policy, is fairly clear. It means a resumption of relations with Russia; it means the evacuation of the Rhineland by Great Britain; it means an agreement with America; and it means the definite acceptance of the League of Nations as the positive mechanism for the reconstruction of European relations.

Most of all this is straightforward. English opinion, as a whole,

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is generally convinced that the breaking off of relations with Russia in 1927 was a mistake; and a majority for their resumption in the House of Commons is certain. Further, it is common ground between Labor and the Liberals that Great Britain has no right to continue her occupation of Germany. Both Labor and Liberals would strongly support the signature by Great Britain of the Optional Clause of the Permanent Court; and it is, I think, at least doubtful if the Conservatives would venture to oppose it. The Labor government has already announced its intention to ratify the Washington Convention on the Hours of Labor and, once more, the Liberal Party is certain to support that measure.

The big problem is America. Without agreement with the United States there cannot be disarmament; without disarmament the League of Nations cannot be effective. Mr. MacDonald and Mr. Henderson are committed to the fullest use of the League; but they have to approach the problem of disarmament in the knowledge that, for the purposes of practical politics, American participation in the League is impossible. Their task, therefore, is to devise a method whereby the results to which Geneva looks can be attained without involving America in contact with institutions she is not prepared to embrace.

Those who know Mr. MacDonald's mind can, I think, predict with some confidence the lines he will follow. For him the Anglo-American problem is one for statesmen and not for technical experts. This means that the latter must fill in the details of a policy already agreed upon and not be permitted to make that policy. They are subordinates, and not principals, in the coming negotiations. That means, also, that just as it is essential to utilize the admirals to work out an agreement in terms of principles already laid down, so the lawyers must not be permitted to wreck agreement by differences drawn from the technique of their science. The big thing is to start with the right atmosphere and the right procedure. The way thereto lies through immediate naval reduction; and the highroad to naval reduction lies through a proper use of the Kellogg Pact.

Here, Mr. MacDonald seems to feel, are the two primary naval powers who, equally and with deliberation, have renounced the use of war. It follows therefrom that neither need conceive of its naval strength in terms of mutual conflict. Great Britain fully accepts the idea of parity in naval strength. The Washington agreement has already shown that this can be attained in terms

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of capital ships. In other categories the solution of the problem is what may be termed mathematical in nature. Let a body of technicians find the formulæ necessary to translate the strength of one class of ships into terms of another. Let a maximum global tonnage be fixed equal for each power; and let it be a matter of convenience for each, within the terms of that maximum, to build as she deems it best fitted to her needs. The maximum must represent a solid diminution of expense. It must symbolize by its magnitude both psychological and financial relief to both parties. Thereby there can be demonstrated not merely mutual goodwill but, out of that goodwill, the temper in which the other issues can be approached.

Again, the Kellogg Pact provides the highroad. England and American agree that war is not to be utilized as an instrument of national will. If there be war, the rights each will seek are to be set by the character of the war. Neither will seek to aid or abet an aggressor in the conflict. Let us have from America a "Hoover doctrine" to that effect. Let us, equally, have from Great Britain a declaration that the maritime law she enforces will relate only to an aggressor in such a conflict. For her, of course, the aggressor will be defined in terms of the machinery of the League. Her duties and obligations will arise out of what the Covenant implies. America, outside the League, may, of course, think differently. But it is, *a priori*, unlikely that this will be the case. And the knowledge that common agreement exists between England and America to refrain from aid of any sort to an aggressor is likely to be of the first importance in deterring any state from risking the dangers of aggressive action.

So, I think, may one infer the content of Mr. MacDonald's mind. And one may add two things: first that naval agreement between England and America makes world naval agreement possible forthwith; and second, that such a "Hoover doctrine" as I have indicated, by its association of America with the cause of peace, makes possible the kind of security envisaged by the Protocol of 1924, and thereby leads directly to military disarmament. It makes possible the implementing of the Covenant of the League for its members; and it associates America with what is desirable in its results without a premature implication of America in procedure from which she still prefers to stand apart.

To achieve such a program in the two or three years of power to which the Labor government can look forward would, obvi-

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ously, be a long step towards effective peace; and success abroad would immensely strengthen Mr. MacDonald's hands for creative policy at home. What can we expect here? He is pledged absolutely to certain items. The age of leaving school must be raised forthwith to fifteen. Failure in this would, after what Mr. MacDonald himself has said, be nothing short of dishonor. He must universalize and increase old age pensions and widows' pensions; to close the existing gaps in this respect is not only to relieve the labor-market, but also to recognize the accepted Labor principle that the aged are entitled to relief from the burden of toil. There must be drastic amendment of the Trades Disputes Act of 1927; Labor must be given the unrestricted right to combine for its own protection in the fields of politics and industry. Without a majority, there cannot be nationalization of the mines; but, even without a majority, there can be nationalization of mineral royalties to compel the proper organization of the coal fields, and such a reduction of the hours of Labor as will bring them, preferably by international action, into conformity with the rest of Europe. The Wheatley Housing Act of 1924 will be resumed, so that houses for rent (alone available to the poor) instead of houses for sale can go forward (preferably under municipal auspices) on a large scale. Mr. Thomas has already announced a great forward movement in road-making; railway reconditioning and afforestation are to follow. Rigorous inquiries into the cotton and steel trades are the necessary prelude to their forcible rationalization. A new Factory Act and a new Workmen's Compensation Act are required to register by statute the defects revealed by the system as we have known it since the war. Not less vital are the humanization of the Unemployment Insurance Acts and a full examination of the relations between the Bank of England and the state. The Acts today involve hardships quite unjustified by the eagerness to find work displayed by all save a tiny fragment of the unemployed; the Bank of England inquiry is necessary because of the widespread sense that a corporation charged with duties upon which the life of the state depends ought not to remain essentially private in control and secretive in method.

One word may be said of financial and fiscal policy. The election showed an overwhelming majority for the historic policy of free trade; in all the areas covered by the Safeguarding Duties, the Conservatives gained only one seat; and most of them were lost to Labor by immense majorities. We may be certain that Mr.

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Snowden not only will not extend the Baldwin policy of protection by instalments, but that if he remains in office the last vestiges of a tariff (including Imperial preferences) will be swept away. Education, pensions, and unemployment insurance mean increased expenditure; and the certain coming of a "free breakfast table" implies further taxation. That Mr. Snowden will increase both super-tax and death duties it is difficult not to forecast. He has the authority of the Colwyn Committee for the view that the present level of taxation is in nowise detrimental to the provision of new capital; and he has the authority of the electorate for the view that the burden of taxation should be more equitably distributed. Mr. Snowden's socialism is less in evidence than it was ten years ago; but in the realm of finance he is an impenitent advocate of the view that the weapon of taxation is a legitimate instrument for attaining social justice. And in this realm, at least, he is not merely certain of Liberal support; he can act without fear of delay in the House of Lords.

No one who surveys this policy can believe that it is likely to produce a social crisis. It seeks to use the machinery of the state to mitigate the results of social inequality; but it differs only in degree from pre-war radical conceptions. Mr. MacDonald's policy is not likely to deprive him of Liberal support. His danger is the different one of being unable adequately to satisfy his friends. The temper of the Labor Party as a whole is distinctly left of that displayed by the Cabinet; and it will require both delicacy and vigor on Mr. MacDonald's part to retain a full grip upon his supporters in the lobbies. The margin between what he thinks possible and what they demand is large. He can count on five or six months of ample support from them. But, after that, timidity on the part of the Cabinet might easily have serious consequences in the Lobby of the House. It will require all Mr. MacDonald's skill in strategy to surmount the possibility of a challenge to more decisive policy from his friends. In this aspect, the great safeguard for him is Mr. Henderson. The latter — the greatest party organizer England has known for a generation — has his hand on the pulse of the machine in an unrivalled way. His sensitiveness to the danger of revolt coupled with the authority his single-mindedness naturally confers, will probably enable him to assist Mr. MacDonald in placating his left-wing. But placation will be necessary, and it will be not the least difficult of the Prime Minister's tasks.

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III

When, two months ago, the American correspondents in London were telegraphing their impressions of the general election, their prediction was unanimous that there would be a Liberal revival; and estimates of 150 Liberal members were not deemed impossible. No such Liberal revival has in fact taken place. The Liberal Party is only 11 stronger (57) than in the last House of Commons; and, proportionately to the new electorate, its increase in votes is not remarkable. Intellectually, it is a powerful party both inside the House and out of it. But the evidence accumulates, election by election, that it is not a party with a future. Money in profusion, a striking program, leadership of high distinction, these produced practically no impression upon the electorate. What are the causes of this failure?

Predominantly, I think, they are three in number. First and foremost is the fact that the genius of English political tradition does not accept a permanent three-party alignment. It dislikes confusion; it likes to make and unmake governments. A progressive party, like the Liberals, which is hardly less Fabian in declared outlook than Labor is in practice, has little of substance to offer that cannot be achieved in other and simpler ways. A large Liberal Party today would merely wreck the efficiency of the party system; and the numbers returned since 1922 show clearly that, once the Free Trade issue is removed, the electorate does not any longer think of the Liberals as the alternative government. That is the more important today because the new electors, especially the women, are unaccustomed to the pre-war idea of the Liberal Party as that alternative. Their minds run in the grooves of Labor and anti-Labor. The Liberal leaders, for them, belong mainly to a closed political epoch. The assets of Liberalism are no longer effective upon the lines of the new political alignment.

Mr. Lloyd George, in the second place, is a definite handicap to his party. Though his program was brilliantly improvised, no one believed that he was sincere in his determination to give effect to it. His record as Coalition Prime Minister in the first post-war years was utterly unsatisfactory; the relationship between him and his chief colleagues was, at the best, dubious; and the sources of his finance were generally regarded as discreditable. To unite under his banner was, for the average new voter, to make promises that would go unredeemed by the very fact that

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he was associated with them. To the England of 1929 the occasion for Mr. Lloyd George has passed. The old spells can no longer be woven; and the Liberal party he ruined in 1916 is no longer capable of repair in his hands.

The Liberal Party, thirdly, is in essence a coalition. It contains men who differ from Mr. Baldwin only upon free trade; and men, like Mr. Keynes, who are not noticeably distinct in outlook from the "intellectuals" of Labor. In the last Parliament it never voted as a united whole. In the present one, its fate is determined less by its own outlook than by Mr. MacDonald. The Tory problem is simple; the duty of an opposition is to oppose. But so long as Mr. MacDonald continues upon the lines of the King's Speech, the Liberals dare not oppose him. His success, that is to say, would deprive them of their *raison d'être* as a separate party; his failure would mean a Conservative and not a Liberal revival. Even electoral reform, into which there is to be an inquiry, is not likely to help them. Both Labor and Conservatives would unite to reject proportional representation; and the alternative vote is, on the electoral statistics, likely to work as much to their detriment as to their advantage. If, as in 1924, they combine with Mr. Baldwin to defeat Labor, they will, as then, pay the penalty. If they continue to support Labor, they do not prove a case for separate existence. It is difficult not to feel that the evolution of Liberalism in the next few years is to be a slow dissolution into a large fragment loosely connected with, and later absorbed by, Labor, and a small fragment destined to fusion with the Conservatives. The Liberals cannot live with Mr. Lloyd George as their leader. But, equally, they cannot live without him because they lack any other figure who can project the party on to a national plane in such terms as would make it appear a possible government. No party ultimately endures in English politics unless it can live in the shadow of office.

IV

The results of the election came, it appears, as a great surprise to the Conservatives. Mr. Baldwin and his ministers had freely predicted majorities ranging from fifty to one hundred. Their defeat was essentially a defeat in industrial England; for, as I have pointed out, apart from East Anglia, Devon, and Cornwall, their hold upon agricultural England and the wealthy residential

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areas remained largely undisturbed. They were beaten by a combination of resentment against the failure of Sir Austen Chamberlain in foreign affairs, and their inability to produce a positive policy for unemployment. Mr. Baldwin relied upon the fear of socialism to return him to power; and he found, in the result, that a negative policy of "safety first" was even more unpopular than socialism. So definite was that electoral outlook that not even the young progressives in the Conservative Party were able, in the industrial areas, to hold their seats. The moral defeat of Sir Austen Chamberlain, the actual defeats of the late Minister of Labor and the late Attorney-General, the authors of Conservative policy upon unemployment insurance and the trade-unions, emphasized with some definiteness the particular resentments of the electorate.

Since the Labor government took office new winds of doctrine have begun to blow through the Conservative party. Despite defeat, it is clear that Mr. Baldwin will remain in command. He is the most solid personal asset the Conservatives have, and he stands as proof against the assertion that they are effectively in the hands of the reactionaries. But at the moment they entirely lack a positive policy; and it is their task in the next two or three years to find one. Some, like Mr. Amery, still seek to pin the party to a whole-hearted acceptance of Protection; others, like Mr. Neville Chamberlain, believe that the ideal of a self-sufficing Imperial Zollverein will enable them to reconquer power. Mr. Churchill exhausts himself in insistence upon the dangers of renewed relations with Russia, the wickedness of socialism, and the inherent necessity of British naval supremacy.

English Conservatism has always the advantage that in any electoral situation it has only to wait; as the party of property it is, at least normally, assured of the reversion of office. But it is difficult yet to feel that it has discovered a formula likely to appeal to the voters. Protection has been overwhelmingly rejected at every election since 1900, and it is far from commanding anything like general assent even among Conservatives. An Imperial Zollverein breaks down upon the two pivotal counts, first, that exports to the Dominions would not compensate Great Britain for loss of her European and American trade, and, second, that there is no evidence of Dominion willingness to give up the protection of their own native industries against British competition. Only a prolonged inability on the part of a progressive govern-

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ment to grapple with unemployment would persuade the average voter to turn away from the historic policy of free trade. It is to say the least unlikely that in these directions Conservative salvation will be found.

Mr. Baldwin, moreover, has certain conversions to make in his own party before he can hope for a positive victory. He has to persuade the electorate, of whom nearly one-third are trade-unionists and their wives, that he does not represent interests definitely hostile to trade-unionism. On that issue the test will come when the Labor government's bill to amend the Trades Disputes Act is in the Commons and, even more, in the House of Lords. He has, too, to offer proof that his party will not at the first opportunity deliberately remake the House of Lords so as to constitute it a permanent safeguard for vested interests against the encroachments of democracy. He has, finally, to show a willingness to utilize direct taxation of the rich as a method of offering necessary social amenities — notably in housing and education — to the poor. These are not easy things to accomplish with a party which dislikes trade-unions, is afraid of democracy, and sees in high taxation the destruction of its own predominance. There are members of Mr. Baldwin's party, notably among its younger adherents, who are prepared for all these things. Mr. Baldwin himself is obviously sympathetic to them; but he suffers from a strange paralysis of will when it comes to making that sacrifice of persons which is the necessary condition of their attainment. The next few years of Conservative history will see a struggle between ideas derived from Disraeli's conception of Tory democracy and the traditional notion of Conservatism as the protective rampart of property. The victory, it may be prophesied, will depend upon the fortunes of Labor at the next general election.

V

In a sense, it may be said with truth that 1929 opens a new epoch in English history. This has been the first general election at which the adult population has voted, in which, that is to say, the poor not less than the rich have been given a full opportunity to choose their governors. Three clear results are outstanding. The new electorate is pacifist, it is progressive and it is definitely democratic. It is pacifist; by which I mean that no government can win its support which has not a positive and definite program of peace to offer. It accepts the League of Nations in the fullest

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sense of the term. It is hostile to imperialism and aggression all over the world. It is progressive. I do not mean thereby that it is wedded to a definite program or philosophy. I mean only that it sees in the state an instrument deliberately to be used for the purpose of social amelioration. No one could win an election in England today with the kind of individualism represented by Mr. Hoover's speeches. No one, either, could hope for victory who was not prepared to maintain, with increasing vigor, a policy of social experiment built upon the recognition that men are equally entitled to a share in the common good. It is, thirdly, democratic; and by that I mean that the period of aristocratic privilege in England has now definitely drawn to a close.

It is not at all easy to state briefly all that this generalization implies, and I can seek here only to draw some obvious inferences that seem not unreasonable. It is significant that this Parliament contains the smallest number of aristocrats and the largest number of trade-unionists in English history; significant, also, that the number of defeated aristocratic candidates was larger than in any previous Parliament. It is important that no aristocrat holds any of the pivotal posts in the Labor government, and that, with the possible exception of Sir Oswald Mosley, no aristocrat is remotely likely to succeed Mr. MacDonald as leader of the Labor Party. By universal consent, a conflict today between Labor and the House of Lords would result in an overwhelming defeat of privilege; in 1911 the battle was drawn. In the realm of social policy, the keynote of effort is equality — a new note in English politics. The movement towards equal educational opportunity is slow, but it is irresistible. The Mond-Turner conferences, whatever their ultimate outcome, imply the recognition that trade-unions have a status in industrial organization which cannot be neglected. In social insurance, in public health, in housing, the idea that the state must deliberately redress the balance of unequal social conditions commands widespread assent. In a typically English way, few people recognize the doctrinal implications of the new order; in a way also English, no one doubts (when it is viewed as a legislative system) that its basic principles are beyond discussion.

The difficulties of the next generation lie in other directions. So long as the effort of English politics is confined to reparing the inequities of the social system, the dispute between parties can be conducted upon the plane of reasoned discussion. The adjustment

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calls for sacrifice from the possessing class, but even when that sacrifice has been made its lines still fall in pleasant places. What if an attempt were made to alter the foundations of the social system? "Our whole political machinery," Lord Balfour has written, "pre-supposes a people so fundamentally at one that they can safely afford to bicker; and so sure of their own moderation that they are not dangerously disturbed by the never-ending din of political conflict."

Those pre-suppositions are still an accurate summary of the position. There is little in England of extreme communism, even less of what may be broadly termed the Fascist ideal. But it is important to remember that English institutions are much more suitable to the nineteenth century libertarian state than to the egalitarian state of the twentieth. If they are to be made sensitive to the wishes of the new democracy their comprehensive reconstruction is desirable. Yet anyone who envisages the single difficulty of reconstructing the House of Lords will realize that institutional rebuilding is no easy task. What would occur if a Labor government found the House of Lords recalcitrant upon measures to which it attached supreme importance?

There is, moreover, the factor of time. Mr. MacDonald's ampler radicalism is an attractive method of persuading Conservative opinion to the slow acceptance of the new dispensation. It is Fabianism *in excelsis*. But it has to be admitted that the need for, and the rate of, change are greater today than at any previous time. The new democracy has only begun to formulate its plans; it has hardly yet even tasted the fullness of its power. What demands will Mr. MacDonald have to satisfy when, perhaps after the next election, he has a definite majority in the House of Commons? Will he be permitted peacefully to satisfy demands which imply an immediate alteration of the existing social system? Can one say, after the experience of Ulster in 1914, with the memory of Spain and Italy and Jugoslavia, that the forces of Conservatism are so wedded to order that they will accept without question the verdict of the electorate? Is England, differently from all other countries, to enjoy a revolution by consent, to watch, as in 1832, a class abdicate from possession of power? Can a social conception of property-rights replace an individualist conception without conflict and violence?

These are ultimate questions to which no certain answer can be given. The communists in England await with calm joy the

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erosion of the Labor confidence that a peaceful transition from capitalism is possible. I think it possible that they are mistaken upon two conditions. It is essential, first, that Mr. MacDonald embark upon fundamental experiment and demonstrate that this can be carried through with success; it must be possible in basic principle to distinguish his policy from that of his predecessors. It is essential, secondly, that he obtain within a short time an independent majority and have a period of office long enough to satisfy the doctrines of his friends without disturbing the fears of his opponents. If the Labor government is to become a mere episode of power between long intervals of a Conservative régime, an episode marked by the manœuvres of caution rather than the experiments of principle, the exacerbation of the political atmosphere would be certain; and the "fundamental unity" of which Lord Balfour speaks would quickly disappear. The test of English statesmanship in the coming years is obvious enough. It must show the inventiveness that builds the institutions of innovation and the courage to use them boldly for their appointed end.

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IS COMMUNISM SPREADING?

By Emile Vandervelde

THE last decade has witnessed the appearance of a new political formation — the Third or Communist International. Born of the Russian revolution, it unites under its banner all the political parties which call themselves communist and aim at the establishment of the "dictatorship of the proletariat" by forcible methods. In all questions of policy, even those involving merely local tactical problems, they follow instructions from Moscow, the capital of the Revolution.

Immediately after the war it was generally believed, at least in bourgeois circles, that the working class all over the world was going to smash the framework of the old socialist parties and join *en masse* the Third International, substituting the methods of Bolshevism for those of a socialistic democracy. This is exactly what did not happen. In the advanced countries of Europe, after a considerable initial success, the communists met with the strong resistance of the well-organized social-democratic parties. Their efforts to capture the Orient were doomed to disappointment. In both North and South America their political influence is negligible. The question whether they now are gaining or losing ground is one in which the friends and enemies of socialism are equally interested. To this question I shall attempt to give an answer, limiting my investigation, however, to those countries with which I am in a degree familiar, that is, the countries of Europe.

At first sight the task seems relatively easy. To aid us in measuring communist gains and losses we have reasonably complete data, under three main heads: the membership of the parties; the strength of the communist labor organizations; and the number of votes obtained by their candidates at elections.

But as soon as we begin to examine the problem at closer range we discover that it is by no means as simple as we imagined. Since the war about half of Europe has been living under a régime of dictatorship, open or disguised, which leaves practically no room for parties of the opposition, for freedom of organization, and for regular elections. The mere statement, for instance, that in Italy, in Hungary, in Jugoslavia, communist parties have been destroyed or prohibited, does not by any means establish the fact that communism is losing ground in the conscience of the masses.

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Again, although in the course of the last years the membership of the communist parties has certainly been drastically reduced in all European countries except Russia, the French and other communists declare that the decrease in their number is of no importance, that it is the quality not the quantity that matters. Their chief preoccupation, they say, is the formation of a determined and well-disciplined vanguard, capable at a given time of assuming the leadership of the masses which by nature are passive and inert. They have succeeded in Russia. They hope to succeed in other countries when a situation favorable to the revolution is created — in the event, for instance, of a new war.

Similarly, the trade unions affiliated with the Moscow International (excluding, of course, those of the Soviet Russia itself) appear of little importance if compared with the trade unions and organizations which depend on the *Féderation Syndicale Internationale* of Amsterdam. But it is hard to differentiate between them precisely. In many countries, for example Germany and England, the unity of the international labor movement has been preserved. In these countries the trade unions affiliated with the International of Amsterdam include, side by side with the large socialistic majority, a number of neutral and communist members. The policy of the latter at the present time is not secession but the "cell-system" ("*noyautage*"). The general strike in England in 1926 showed the influence which might be exercised at a critical moment by a violent and determined minority.

As to the number of votes obtained by the communists at the elections, it may be admitted that in the countries where democratic institutions are working normally it is the least imperfect method of reckoning the advance or recoil of communism. But the statistics of political and labor organizations, although helpful, are not sufficient in themselves to answer all our questions.

Keeping these preliminary remarks in mind we may now proceed to examine the membership of the communist parties, the strength of communist labor organizations, and the number of votes obtained by the communists at the elections.

I. THE COMMUNIST PARTIES

Before the World War and the Russian revolution the political forces of socialism were practically united. It is true that anarchists and the revolutionary syndicalists remained outside the official movement, and that in certain countries, especially in Russia,

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there were rival socialist groups. But nevertheless there was only one International, and in it Lenin and Trotzky met with Jaurès and Ramsay MacDonald and the German social-democrats.

Immediately after the war, and as a direct consequence of it, a cleavage took place. The social-democrats, the so-called majority, remained faithful in their allegiance to what became known as the Second International (the First International having lasted from 1864 to 1873), while the Bolsheviks established the Third International. The Union of Vienna, organized by the non-communist socialists of the extreme left, endeavored to bring the two groups together, but abandoned its attempts after the Bolsheviks refused to collaborate. In 1924, at the Congress of Hamburg, it joined the "majority" group which was reorganized into a new International, frequently referred to as the Second International though its official name is the *Internationale Ouvrière Socialiste*. Four years later, at the Congress of Brussels, this new or re-organized International, which has its headquarters at Zurich, counted about six million members.

It may be instructive to compare the composition of the membership of the Second and of the Third (or Communist) Internationals in order to obtain an idea of the relative importance of the two wings of the socialist movement. In 1928 their respective membership was as follows:

Country	*Socialists*	*Communists*
Belgium	597,971	1,500 (?)
Denmark	148,492	1,400
Germany	867,671	124,729
Great Britain	3,388,286	9,000 (?)
France	99,106	52,376
Holland	52,904	1,400
Jugoslavia	4,000	3,000
Norway	76,000	8,000
Austria	683,786	10,000
Poland	63,406	illegal
Russia	illegal	1,300,000
Sweden	203,338	15,479
Switzerland	36,072	3,500
Czechoslovakia	194,960	150,000
Italy	illegal	illegal
Total	6,355,991	2,787,384[1]

[1] Data of the Information Bureau of the Belgian Labor Party, based on the returns of the Second and the Third Internationals. All the figures relating to the communist parties must be treated with caution, and especially those for Belgium and Great Britain.

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The communists also report adherents in other countries, as follows: Greece, 2,000 (socialists 2,800); United States, 12,000 (socialists 15,000); Canada, 5,000; Mexico, 1,000; Australia, 500. The socialists, on the other hand, count supporters in a number of countries where communism, at least as an organized political party, is practically non-existent, for instance in Hungary, (138,427), Finland (37,722), Bulgaria (30,126), Palestine (22,500), Rumania (13,000), Argentine (10,000), Spain (8,000), Latvia (5,000), Esthonia (5,000), and so on.

Generally speaking, then, the communist forces are weak in most countries, not to say insignificant. The only striking exception is Soviet Russia, where in spite of expulsions, deportations, and internal dissensions the membership of the Communist Party is steadily growing: 1924 — 446,000; 1925 — 910,000; 1926 — 1,078,000; 1927 — 1,200,000; 1928 — 1,300,000.

One must remember, however, that an increase in the official membership of the Russian Communist Party does not necessarily mean an increase in the number of communists. As a matter of fact, it has nothing in common with the political parties of other countries. It is an instrument of the government, an organ of collective dictatorship, itself more and more dominated by an *inner circle* of party leaders. (Rakovsky, the former ambassador of the Soviets to Paris, once remarked to me: "We are a congregation"). To be or to call oneself a communist is not sufficient to qualify for admission. It is necessary to be officially ordained, and to accept the duties as well as the privileges which result from the affiliation. The membership of the party is therefore primarily dependent on the number of men and women which the dictatorship considers expedient to enroll in its civil militia of state employees and delegates. The imposing numerical membership of the party certainly proves that Stalin and his friends have at their disposal a very powerful weapon. But it does not necessarily mean — and there is even a considerable evidence to prove the contrary — that Bolshevik communism is making progress in the country of its origin.

In the other countries the situation is entirely different. The history of the communist parties in Europe is primarily the history of their failures, their cleavages, their schisms. Some — for instance those of Norway, Czechoslovakia, and France — were quite powerful at the beginning, because they formed the majority at the congress at which the split with the socialists took

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place and therefore suceeded in assuming the direction of the local organizations, and of the press and property of the party. But since then they almost all have been losing ground.

The already very small Belgian Communist Party has split into two (the Stalinists and the Trotzkists). In the Netherlands the Communist Party is divided into three branches. In Germany one identifies at times as many as four or five rival communist groups. In Czechoslovakia the social-democrats have reconquered the majority of the labor forces. In Norway the Communist Party lost to the social-democrats nine-tenths of its supporters. In Italy, where the communists are sharing the unhappy fate of other political parties, many of them have joined Fascism. In Great Britain, where they numbered 5,000 in 1925, they were reduced to 3,700 in 1929. In France the leaders of the Communist Party try to explain the continuous decrease in the membership of the party, which they no longer deny. Here are the official figures as given by the French communists themselves: after the schism of Tours — 130,000; 1924 — 68,000; 1925 — 83,000; 1926 — 75,000; 1927 — 52,000; 1928 — 40,000. And the socialists, who after Tours barely numbered some 40,000, now far exceed 500,000.

But we must not attach too much importance to internal strife and divisions, and to the decline in the membership of the communist parties. The Christian sects of the first centuries waged a fierce struggle between themselves: this did not prevent Christianity from conquering the world. Experience has also shown that expelled or excommunicated communists have invariably failed to secure popular influence: the rank and file usually remain faithful to the official communist party affiliated with the Third International, for it alone receives the subsidies and support of Moscow. Moreover, the official membership of the party may decline and at the same time, as we shall see later, the number of votes cast for it at the elections may increase. It certainly is not without importance that in a given country the communist "cells" are losing some of their substance; but the fact remains that in most European countries the existence of a communist party — more or less strong and more or less well organized — must be accepted as a permanent factor of political life. And one should also recognize that the working class will probably remain divided, at any rate as long as Bolshevism lasts in Russia, and that the Third International will find new recruits among the malcontents from all classes, and particularly among

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the most destitute and the most impulsive elements of the proletariat.

II. COMMUNISM AND THE LABOR ORGANIZATIONS

Following the scheme we have adopted in dealing with political parties, we shall now try to get some idea of the absolute and relative importance of communist trade unions, and then compare them with the non-communist labor organizations. The table given below is based on the returns of the Second and the Communist Internationals and may be considered approximately accurate.

Allegiance	*Membership January 1, 1925*	*Membership January 1, 1928*
Féderation Syndicale Internationale, of Amsterdam	17,702,431	19,377,448[2]
Communist Labor Organizations	7,333,845	13,670,482
Confessional Labor Organizations	2,112,109	2,149,069
Syndicalist Labor Organizations	8,442,887	10,704,581
Total	36,062,711	46,187,060

From this we may draw two conclusions: (1) the labor organizations having their centre in Moscow constitute a considerable percentage of the total number of labor organizations; (2) between 1925 and 1928 the membership of these organizations has increased much more rapidly than that of any other group.

But if we follow our former method and examine the data for each country in detail, the imposing figure given by the Communist International acquires a very different meaning. Indeed, out of the total membership of 13,670,000 (on January 1, 1929), 2,800,000 represent the share of China, and it is permissible to raise the question how many of these hastily mobilized members of a revolutionary proletariat have survived the bloody events since January 1, 1929. Furthermore, Russia by itself accounts for more than 10,000,000 of the remaining members; and in Russia we are confronted with a compulsory syndicalism not dissimilar, *mutatis mutandis*, to the corporate organization of the Fascist state. Very little therefore is left for the other countries, except perhaps France, where the communist labor organization claims 250,000 members; and here the socialist organization has a membership of 600,000.

[2]The figure 19,377,448 comprises the organizations affiliated with Amsterdam as well as the organizations which, while not officially affiliated with it, belong to the same political orientation.

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Let us remember, however, that if outside Russia the membership of communist trade unions is practically negligible, this is not because there are no communists among the members of the labor organizations, but because the communists, realizing that they are not strong enough to work independently, continue their affiliation with the *Féderation Syndicale Internationale* of Amsterdam. They are acting under orders and are organizing communist "cells." In time of industrial peace their work is carried on through secret channels and seldom appears on the surface. It takes advantage of some crisis to gain strength, and often contributes to the violent and disorderly character of a strike. Nevertheless the Bolshevik influence in the labor organizations seems at the present time to be declining. In Belgium, for instance, during the period of inflation (1926) some of the labor organizations were carried away by the Bolshevik propaganda and rather inclined to follow the lead of Moscow. This tendency was particularly noticeable among the building trade of Brussels, among a section of the dockers at Ghent and Antwerp, and among some of the miners. But since the stabilization of currency these groups have recovered; they sent back to the ranks or expelled the communists who had succeeded in making their way into their committees. Similar developments, we know, have taken place in Great Britain and also in industrial Germany. Generally speaking, the recovery of Europe from the devastating effects of the war is being accomplished by the liberation of the labor organizations from the grasp of communism. But will what is true today still be true tomorrow? *Chi lo sa?* All that we can say is that at the present time communism is losing ground with the labor organizations. The communists themselves are willing to admit it; but they staunchly maintain that the tide will turn in their favor at the first emergency.

III. COMMUNISM AND ELECTIONS

In order to appreciate the actual meaning of the number of votes cast for the various communist parties in Europe in the course of the last ten years, one should remember that immediately after the war, in 1918–1919, at the very moment when the tide of Bolshevism had reached its highest point, these parties were not yet organized. In France, in Germany, in Great Britain, the communists as such had no candidates at the first general elections which took place after the armistice; the only lists

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opposing the "bourgeois" parties were those of the socialists. Only later did the extremist elements sever themselves from the socialist or labor parties and, reviving the name of communism given to socialism by Marx in 1848, start a fierce campaign against the non-communist labor organizations. This campaign met with varying success in different countries. In France from the very beginning they nearly balanced that section of the electorate which remained faithful to democratic socialism. In Germany, where from the outbreak of the war the Socialist Party had split into majority and independent groups, a section of the latter joined the old party; the remaining independent socialists formed the Communist Party. In Great Britain, although the Labor Party displayed at a certain moment very vivid sympathies for Soviet Russia, the communists nevertheless organized a party of their own; but they always were and still remain an infinitely small minority. The same may be said of the communist organizations in Austria, Belgium, Holland, and Scandinavia.

Since their establishment, such communists parties as were not destroyed by dictatorial governments have regularly taken part in elections, although they never miss an opportunity of emphasizing their unimportance. We shall examine the results statistically.

France:

In the parliamentary elections of 1919 — that is, immediately after the armistice — the French Socialist Party, then still united, received 1,615,000 votes and won 68 seats.

In the parliamentary elections of 1924, which were carried out under the same method of balloting (*scrutin de list*), the party, together with other purely socialist lists, received 687,668 votes, The lists of the so-called *Cartel des Gauches*, comprising socialists. radicals, etc., polled 2,107,545 votes. Estimating that of this number one half were cast for socialists, the total number of socialist votes reached the figure of 1,700,000 and won 101 seats. At the same election the Communist Party polled 900,000 votes and won 25 seats.

In the parliamentary elections of 1928, which were carried out under a different system of ballot (*scrutin uninominal*), the Socialist Party received 1,620,000 votes and won 100 seats. The Communist Party received 1,070,000 votes and won 14 seats.

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Germany:

Date	Socialists (Majority group) No. of seats	Socialists (Majority group) No. of votes	Socialists (Independent group) No. of seats	Socialists (Independent group) No. of votes	Communists No. of seats	Communists No. of votes
1919....	—	11,500,000	—	2,300,000	—	—
1920....	—	6,100,000	—	5,010,000	—	580,000
1924....	131	7,880,058	—	—	45	2,708,176
1928....	152	9,112,438	—	—	54	3,832,675

Great Britain:

Date	Labor Party No. of seats	Labor Party No. of votes	Communist Party No. of seats	Communist Party No. of votes
1918.....	57	2,244,945	–	—
1922.....	142	4,236,733	1	28,441
1923.....	191	4,348,379	–	19,092
1924.....	151	5,487,620	1	55,436
1929.....	289	8,362,594	–	50,622

Belgium:

In the parliamentary elections of 1921 the communists received 2,226 votes. In 1925 they fought in 12 electoral districts out of 30 and received 34,149 votes. In 1929 the communists of the Stalin group in the same districts polled 37,688 votes. In these districts, therefore, in spite of the considerable increase in the electorate, the gain of communism is modest, 3,429 votes. In the other districts where the communists had no candidates in 1925 the Stalin group in 1929 obtained 5,676 votes. The communists of the Trotzky group fought the elections in five districts and obtained 7,257 votes. Together the two communist groups succeeded in depriving the Belgian Socialist Party of 50,501 votes. The Stalin group has won one seat in the lower chamber of the Belgian parliament. The socialists have received 803,369 votes and won 70 seats out of the total number of 187.

Holland:

In the 1925 elections the socialists polled 706,689 out of a total of 3,085,862 votes and won 24 out of 100 seats; the communists polled 36,770 votes and won one seat. In the 1929 elections the socialists polled 804,818 out of 3,380,217 votes and won 24 seats; the communists adhering to Moscow (led by De Visser) won 37,622 votes and one seat, while the dissident communists (led by Wynkoop) won 29,860 votes and one seat.

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Austria:

Date	*Socialists No. of votes*	*Communists No. of votes*
1919.....	1,211,814	.....
1920.....	1,072,709	25,840
1923.....	1,311,870	22,164
1927.....	1,539,088	16,181

Out of the total number of 165 seats in the new legislative assembly, 71 are held by socialists. As to the communists, they have never succeeded in winning a seat.

Sweden:

In the 1924 elections the socialists polled 725,407 votes and won 105 seats; the communists (two groups, those faithful to Moscow and a dissident group led by Höglund) polled 89,902 votes and won 4 seats. In 1928 the socialists polled 872,500 votes and won 90 seats; the communists won 149,096 votes and 8 seats.

Czechoslovakia:

Immediately after the war the communists of Czechoslovakia found themselves in the majority at a congress of the Socialist Party and forced the minority to establish a new party of their own. But while the socialists of German and Czech origin organized separate national socialist groups, the communists preserved their unity and at the elections obtained more votes than the German and Czech socialists taken together. Their position nevertheless does not seem to be very strong. Last May the *Bulletin d'Informations Politiques, Economiques et Financières* of Czechoslovakia noted that although the party has 61 deputies and senators in the two houses of parliament, it is in a state of decay. "It lost over 10,000 votes at the last provincial elections," ran the comment, "and the decline is proceeding rapidly. . . . The animosity between Prague and Moscow is growing daily, and everything tends to indicate that the gulf between the leaders of the party and the Comintern is rapidly widening."[3]

From the foregoing data it appears that with the exception of Sweden, Czechoslovakia, France and Germany, communism is practically non-existent as a factor in parliamentary elections. It may be laid down as a general proposition that it is not gaining ground or that its gains are insignificant. Even in those countries where it has recently obtained a certain success this can easily be

[3] It seems useless to add any information relating to the communist parties in the post-war elections in Italy, Hungary, and other countries where their activities are prohibited by law.

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exaggerated. In France they lost half of their seats, but the number of votes they received increased from 900,000 to 1,000,000. On the other hand, their influence with the French electorate outside the capital is practically nil; it is almost completely restricted to the suburbs of Paris where the workers — badly organized and living in most unattractive surroundings — throw a "red belt" around the wealthy residential districts of the capital. In Germany, where since the revolution of November 1918 the proletariat has gone through severe trials, the Bolsheviks are numerous (about 4,000,000 voters) and their number is growing. But they lack capable leaders and a constructive program and they attract only the most destitute and the least educated workers. From the parliamentary point of view they are considered by the other groups as a practically negligible factor, or, to be exact, as a negative one. Were they united as during the war, the forces of the proletariat would now be the masters of the state; divided through the efforts of the communists, they have abandoned to the bourgeois parties the greater share of governmental powers.

IV. THE FUTURE OF COMMUNISM

The membership of most of the communist parties in Europe undoubtedly is dwindling. Except in Russia and perhaps China, labor organizations affiliated with the Communist International are practically non-existent. In the countries where reaction has, or has had, the upper hand (such as Italy, Hungary, Bulgaria, Bavaria, etc.) the Bolshevik organizations have been dissolved, annihilated, or forced under-ground. As to the European countries still enjoying free democratic institutions, we have seen that election results convincingly show that, with very few exceptions, the communists form an exceedingly small — often almost imperceptible — fraction of the labor vote.

If therefore our answer to the question whether communism is moving forward or is in retreat were to be based solely on such evidence as that presented above we should have small room for hesitation: we should conclude that at the present time communism is not advancing, or is hardly advancing. And for a young party which boldly started out to conquer the world, not to gain means to lose.

But to base our verdict on such evidence alone would be to expose ourselves to the reproach from communists that we place undue importance on parliamentary and electional imbecility.

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From their point of view, indeed, the whole parliamentary and political activity of the labor organizations is merely a weapon, and by no means the most important one, for carrying out revolutionary propaganda and agitation. To anyone who tells them that in almost every parliament their representation is infinitely small and the electorate which votes for them quite insignificant, the communists point out that in Italy Fascism had less than 30 deputies when Mussolini seized power, and that in Russia itself, although the Bolsheviks formed less than one-quarter of the Constituent Assembly in 1918, this did not prevent Lenin and Trotzky from dissolving it and from establishing the dictatorship of the Communist Party, helped by the bayonets of the red soldiers. What really matters in their eyes, therefore, is neither the increase in the number of those who vote for them, nor the creation of labor organizations capable of carrying on the struggle for better wages, nor yet the building up of well-disciplined parties for the conquest of democratic power: all this is to them at best a matter of secondary importance. The real purpose is to prepare beforehand for the day when circumstances will prove favorable for the mobilization of the revolutionary proletariat in the wake of the communist vanguard. The Franco-Prussian war of 1870 was followed by the Commune of Paris; the war of 1914 established the Union of the Socialist Soviet Republics on the ruins of the Empire of Tsars; it is a new world war, the inevitability of which for the communists is an article of absolute faith, that will usher in the triumphant world revolution.

Now accepting this point of view for the purposes of argument, what are communism's losses and gains for the period since the Russian revolution?

The Russian Communist Party, with the addition of a few outposts in other countries, is today the only great organizing power under the orders of the Communist International. It controls an immense territory and resources far in excess of those of all other labor organizations; helped by a formidable machinery for propaganda and revolutionary activity, it struggles to expand its moral and material influence in the world.

On the morrow of the Bolshevik revolution of October 1917 a great many people believed that the Bolshevik adventure was to be of short duration; others, especially in those countries where the war ended in a revolution, imagined that Russian communism was to spread all over Europe. Its actual success, however, proved

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to be limited to the states where the democratic tradition was still weak and where the standards of the revolutionary masses were as primitive as in Russia. Moreover, the tide soon began to recede, and it was then, after its failure in Europe, that the communists concentrated their attention on Asia. But here too, and especially in China, the ground which seemed to be so favorable soon began to slide out from under their feet. Now these are grave setbacks. Nevertheless the fact remains that Bolshevism, which appeared as though it could not last, is still here; it has lasted for nearly twelve years, and millions of men and women all over the world look upon it as a gigantic stepping-stone towards new revolutions.

Will these revolutions, if they take place, be on the whole for good or evil, and are they likely to follow the lines forecast by the communists? Will the ineluctable social transformations which are to be expected in the none too distant future, be accomplished through the action of the socialist democracy, under a régime of peace, or through the action of the Bolsheviks, under a régime of war? Or will they be accomplished — as seems to me the more probable course — through the combined action of all the piled-up forces which press for a change in the actual social conditions of the world? In this uncertain and tortured world of ours it is a brave man who will risk a prophecy which may be belied by the events of tomorrow. The utmost we may say is that if world peace is preserved, and if socialist democracy refrains from compromising with the capitalistic régime (a compromise which would destroy the confidence the socialists continue to enjoy among the working classes), and if the propertied classes whose political and economic privileges are at stake refrain from provoking the laboring masses, then *and only then* are we entitled to believe that the future of Bolshevik communism is very limited.

The general conditions of the moment are not favorable to communism. The fiasco of the August 1 manifestations, the inability of the German communists to obtain the necessary signatures for the referendum on the question of naval armament, the disappointing results of the British elections, the stubborn opposition of the Russian peasants to the requisitions of Stalin, the innumerable and constant difficulties which the Soviet Government has to face and which are so eloquently brought to light in the last book by Trotzky, all these are unmistakable signs of a very unfavorable situation. And if Moscow acknowledges this situa-

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tion, we may be sure the leaders of the opposition, or rather of the oppositions, will certainly not miss the opportunity to bring them to the attention of the masses.

The seriousness of the situation has already been recognized by well-known communists who still proclaim themselves faithful to their doctrine. They began sounding the alarm some time ago, with whatever degree of freedom of speech was left to them. As early as 1927 Boris Souvarine, who was not yet expelled from the French Communist Party, wrote in the *Bulletin Communiste:*

> Let us figure up the account.
>
> Our Russian party has just passed through a new crisis which has resulted in the banishment of three of Lenin's closest collaborators — Zinoviev, Kamenev, and Krupskaya — in the disgrace of a score of the militant Bolsheviks of the early days, and in the discredit of the régime.
>
> Our German party, after it had succeeded in assuring the election of Hindenburg as President of the Republic, has suffered several amputations to its "left," has expelled or lost almost all its leaders, theoreticians and standard-bearers of 1924, 1925, and 1926, such as Maslov, Ruth Fischer, Urbahns, Scholem, Korsch, Katz, Schwartz, Rosenberg, etc., and is still in the throes of a bitter internal struggle.
>
> Our party in Poland, after it had expelled its leaders of the so-called "right" (who were the founders of the party) and had established in their place the leaders of the so-called "left," has now witnessed the expulsion of the new leaders and the restoration of those who were formerly banished. As these had meanwhile been taking their orders from Pilsudsky, this naturally has led to a new crisis.
>
> Our party in Holland, which has a membership of a few hundreds, has expelled its founders (Wynkoop, Ravenstein, and others), who have organized a new and still smaller party.
>
> Our Austrian party almost vanished at the last parliamentary elections, and *Humanité* did not even dare publish the number of votes they received.
>
> Our Czechoslovak party had several leaders imposed upon it by Moscow; these proved to be adventurers or agents of the police. It has witnessed the passage of its secretary general, Delezal, to Fascism (no less!), and has enjoyed a little crisis from which the Bolshevik leader of 1924, Neurath, has emerged with a badly damaged reputation.
>
> Our Chinese party has betrayed its most gallant and militant members to the executioners of Chang Tso-lin and Chiang Kai-shek.
>
> This is the information which allows Stalin and Bukharin to proclaim that everything is for the best in the best of Internationals.

Since these lines were written Trotzky has been disposed of and he has been followed by Tomsky, former leader of the communist labor organizations, and by Bukharin himself. Stalin having, like Robespierre, struck out to left and right, remains until further

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orders the sole master of the situation. But how long will he last? Towards what fate is the Soviet Republic drifting? Will it find its doom in an outbreak of Bonapartism? Or will it fall under the blows of reaction? Or, perhaps, will it survive, only to transform itself — slowly, painfully — into a federative democratic state?

Even these hypotheses do not exhaust all the possible combinations. Those who under the pretext that history repeats itself endeavor to prepare the horoscope of the Russian revolution, only too often mistake their own hopes or fears for the actual facts. But if one limits oneself to the situation as it is today, leaving aside what will happen in the more or less distant future, one may recognize that (with due allowance for a rather excessive pessimism) Souvarine was right when he wrote in 1927:

> The existing communist parties will continue to be accepted by the workers with lower standards as the vanguard of their class, and in the absence of anything better will continue to serve as rallying-points. Bolsheviks and "Bolshevizators" will add to their old ridiculous discoveries new imbecilities; their *Lumpenkomunismus* will always find a *Lumpenproletariat* — backward workingmen, passive and pliable, and malcontents drawn from all social groups, the whole framed in an array of properly-styled bureaucrats and fanatics.
>
> Bolshevism, however poisonous, will not succeed in those countries where the socialist parties are fighting a reactionary bourgeoisie. The various communist parties will be able to continue leading their obscure existence so long as the Soviet State lasts; they will spread their illusions; they will ferment stillborn revolutionary agitations. All they will preserve of communism will be the name, the banner, and some vague aspirations. They will sell a certain amount of literature, and obtain a certain number of votes at the elections, just as a great many other parties do and using the same methods if perhaps in a different form. They may not even completely deceive the contingent of proselytes which will be supplied to them every year by the force of events, that is by the logic of the existing régime. But as for the formation of an *élite*, the elaboration of an ideology which could meet the requirements of a better human race, this is an entirely different question. . . . The real communist thought must be developed somewhere else.

It remains to be seen whether "somewhere else" does not mean in the working class itself, a working class again united and looking upon communism — as did Marx in 1848 and Jaurès fifty years later — as a mere form of socialism, and which endeavors to bring about the socialist state not by spasmodic outbursts of a minority, but by the constructive, organic and democratic effort of the laboring masses as a whole. But this is a different story, one outside the scope of the present article, in which I have done my best to preserve an objective tone.

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OUR MEXICAN IMMIGRANTS

By Glenn E. Hoover

AMERICAN public opinion regarding Mexican immigration is confused, chiefly because of the confusion of races in Mexico. The population of Mexico is approximately 13,000,000, of which not more than 10 percent are of unmixed white blood. Although Cortes subdued the natives of Mexico a full hundred years before the Pilgrims settled at Plymouth, the population south of the Rio Grande is predominantly Indian, whereas among the English-speaking peoples to the north the Indian has become a curiosity. The contrast is explained by the fact that the Indians of the north for the most part had never advanced beyond the hunting and fishing stage and consequently were few in number, while the fertile valleys of Mexico were peopled with a dense agricultural population.

The process of racial fusion was hastened by the fact that the Spaniards introduced few white women into their colonies, with the result that the population of Mexico is now made up of from 5,000,000 to 6,000,000 pure-blood Indians, 1,500,000 to 2,000,000 whites, and 7,000,000 to 8,000,000 Mestizos in which the Indian element is predominant. Nevertheless, all natives of Mexico are listed as white in our official census and immigration reports, a practice which also is followed by the various states of the Union, and there is a tacit but universal understanding among government officials that the biological characteristics of the Mexican people shall be assumed to be what they are not in fact.

This is not the place to attempt even a summary of Mexican civilization other than to say that in many important respects it has remained an Indian civilization with but a veneer of European culture. There are at least two million who speak no Spanish and an equal number who prefer to speak their native Indian tongues. The ancient way of living has changed but little for the masses, who till the soil in the native way, eat the native food, and wash it down with *pulque* just as their forefathers did a thousand years ago.

Mexico City is the fruit and flower of European civilization in Mexico. It boasts the finest cathedral in America and a university more than a hundred years older than Harvard. Yet, until recently at least, 70 percent of the births in that city were illegiti-

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mate and the death rate was about treble that of the average in American cities and was even higher than in such eastern cities as Cairo and Madras. The annual per capita consumption of liquor is calculated to be the equivalent of 7.93 litres of pure alcohol. About one fourth of the children of school age are in school. At the time of the Revolution, illiteracy was estimated at from 80 to 85 percent.[1]

This is the darker side of the picture. On the other hand, the whites in Mexico are the peers of any people in Europe; the Indians are home-loving, kind to children, docile, musical, and pious in a superstitious and alcoholic way. The present government is doing much to reduce illiteracy, mortality, and drunkenness and is trying in every way to bridge the gap of some thousands of years that separates Mexican civilization from the European type. The task is a hard and long one, but the country is fortunate in having a group of leaders who, though few in numbers, are cultivated, intelligent and patriotic.

The motives which prompt the peon to come to the United States are almost exclusively economic. His real wage here is from two to six times his wage at home. This is reason enough for his coming, and we ought not to attribute to him motives which he does not have. He does not come as an admirer of our institutions, our language or our culture. Probably few peons emigrate with the expectation of residing permanently in the United States. They say that they expect to return and there is no reason to doubt their honesty. They want to go back someday, but for the bulk of them that day is *mañana* which never comes. The fact that they really do not like our country, except for its high wages, does not result in their going back to Mexico, but it does prevent them from becoming assimilated.

Mexicans wishing to come to the United States are confronted with several legal barriers and but few real ones. The legal barriers consist of a literacy test, which many of them can not pass, a medical examination, a head tax of $8, a passport visa costing $10 and a medical examination fee of $3. These financial provisions would, alone, be sufficient to keep out the average Mexican family. Fortunately for them the land frontier is approximately 1,800 miles long, with no natural barrier except (for a portion of the way) the Rio Grande, which during most of the year can be waded by a ten-year-old child. As our border patrol is inadequate,

[1] *Cf.* Ernest Gruening, "Mexico and Its Heritage." New York: Century Co., 1928.

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the peon walks or swims across to save from $20 to $100 with the same ease that we "walk up stairs and save $10," and is welcomed by his countrymen here as a "wet back." For this reason, no statistics of immigration from Mexico are worth the paper on which they are written. It is estimated by competent observers that the illegal entries at least equal the legal ones.

Upon arrival, the typical peon gets his first job through an employment office in El Paso, Los Angeles, or some other border town. He works first in some gang, on a farm or a railroad right-of-way, where a limited knowledge of English on the part of one member will suffice. It is almost impossible for a newly arrived immigrant, ignorant of our language, to work in a factory or shop or on a small farm. The peon is not often employed on a yearly basis, as was the "farm hand" of a generation ago, but merely for the season of planting or harvesting. He finds little work where general farming prevails, but in the cotton-producing areas of the Southwest, in the beet fields of Colorado and Michigan, and particularly in California, where highly specialized agriculture is so generally practiced, he is in great demand, for the farmer who specializes needs other workers in addition to the members of his own family, and can not call in the neighbors, who are usually specialists in the same particular crop.

It is the immigration of migratory labor that has made possible the high degree of agricultural specialization in California, and now, it is argued, specialization has made continued immigration a necessity. Here is a vicious circle, for continued immigration will but increase the specialization, which, in turn, calls for unending supplies of fresh immigrants. There has been considerable propaganda in favor of diversification of crops, but it is likely that specialization will continue so long as an adequate supply of seasonal labor is obtainable. If that supply is cut off, the specialty farmer will have to diversify his crops and in this way smooth out the peaks and depressions that now prevail in the demand for agricultural labor.

The extent to which the peon stays in the United States is a bitterly contested subject by friends and foes of restriction. It is a futile argument which can not be settled, because of the unknown number of illegal entries and the inadequacy of the statistics of departures. However, the census figures show a rapid growth of our Mexican population and the increase is confirmed by common observation. This increase proves that the Mexican is not pri-

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marily a "homer" in the sense that he returns home to stay. There is, of course, a great deal of flitting back and forth across the border, but that does not prove he is a homer in any true sense. All estimates of the size of our present Mexican population are but guesses, pending the 1930 census, but it seems certain that their number will be nearer two million than one million. Even if the peon has a homing tendency, it in no way precludes a rapid growth in our Mexican population. The following figures show the number of Mexicans in the United States at various census dates, and the immigration by years. The latter figures are quite unreliable except to indicate the rate of increase.

Year	*Recorded Mexican Immigration into United States*	*Mexican Population in United States*
1900	237	103,393
1910	17,760	219,802
1920	51,042	478,383
1921	29,603	
1922	18,246	
1923	62,709	
1924	87,648	
1925	32,378	
1926	42,638	
1927	78,948	
1928	57,765	

Friends of the peon insist that the Southwest would revert to desert if he were excluded. Restrictionists at times talk and write as if they thought that the entire Mexican population could be withdrawn, and that our production, nevertheless, would be maintained at present levels by the aid of some fabulous labor-saving machines or by the utilization of our unemployed. Both statements are false.

The more desirable lands of California, Texas, Arizona and New Mexico, especially those under irrigation, would not lie fallow if Mexico and the entire Mexican population both here and at home were to sink into the sea. Some of the land in question sells for as much as $1,000 per acre and would not become worthless if we shut off all immigration whatsoever. It is equally true, however, that we could not farm so much land with a smaller population as with a larger one. If we had a Chinese population of ten million, as might easily have been the case by now if we had so chosen, we would be producing much more of everything in this country than we now are, but our per capita production, and

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therefore our standard of living, would be lower. If the immigration of agricultural laborers were restricted, some acreage now devoted to crops might revert to pasture, but the only land that would be abandoned would be the marginal or least valuable grazing or stump land. If labor were withdrawn from such lands it should be cause for national rejoicing rather than sorrow.

Some insist that but for the peon we could not grow sugar beets or any crop requiring similar labor, because no white man can do the "squatting" work required to cultivate them. Even if "squatting" is a racial accomplishment in which one should take pride, the statement is erroneous. So long as more sugar beets are harvested in Europe than in both the Americas, it is absurd to contend that white people can not or will not do such work. They can do it, and they are doing it where conditions are made acceptable. In Australia, New Zealand and Canada, crops of all kinds are harvested by white laborers, identical in physique with the white laborers of the United States.

It is further contended that only Mexicans can work in the hotter sections of the Southwest. No evidence supports this statement, which rests on the false assumption that all of Mexico is hot and that the peon is, therefore, habituated to a temperature which the whites can not endure. The fact is that 75 percent of the Mexicans live in what the scientists call the cold zone, with a mean temperature of from 59 to 63 degrees Fahrenheit, and only 7 to 10 percent live in the torrid zone, with a mean temperature of from 77 to 82. The bulk of the Mexican population lives on the high central plateau and few of the immigrant peons are habituated to such temperatures as are found in the hotter districts of the Southwest or the Mississippi Valley.

The Mexican peon is among the most unassimilable of all immigrants. Measured by the percentage of those who learn English, become citizens, or adopt American ways, his record is a poor one. New Mexico affords a striking instance. When that territory was acquired from Mexico in 1849 those of its inhabitants who did not speak the Indian dialects spoke Spanish. Their descendants still speak Spanish, and English is so little understood that, with the aid of interpreters, both languages are used in their legislative assemblies. It is our only state which is officially bi-lingual.

Although the peon is comparatively unassimilable, he is proving an adept at assimilating American charity. In 1925, the Mexi-

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cans in Los Angeles County were about 10 percent of the population; yet they furnished 44 percent of the charity tuberculosis patients, 57 percent of the venereal clinic cases, and there was expended on them more than 50 percent of the budget of the Bureau of Catholic Charities and 73 percent of the City Maternity Service. There seems to be no limit to the amount of help the peon will accept. Those who take his part insist that this disproportionate drain on our charities merely demonstrates the intelligence of the peon, who has learned that the softer-hearted communities will support him whether he works and saves or not.

While the social workers are afraid that the peons will not mix with our native population, the eugenists are afraid that they will. It is certain that interbreeding can not be prevented. When we recall that we have injected white blood into more than a quarter of those we call Negroes, and that the Indian mixed bloods are increasing while the full bloods are decreasing, we have little reason to think that the peon can be kept forever apart from the larger racial stream. Ultimately his descendants will be our descendants, and "Gringo" and "Greaser" will be one.

That might be considered a happy ending if the quality of our racial stock were not lowered in the process. If his stock is as good as ours, there can be no scientific objection to a fusion that would end the racial friction that results from the attempt to keep two races apart by means of miscegenation laws, and a system of social and economic castes. There are, however, competent and impartial observers who consider the peon inferior to the whites, both physically and mentally. Dr. S. J. Holmes, of the University of California, a man of national repute both as a biologist and eugenist, finds him below par physically, and in intellectual capacity about equal to the American Indian. The meager contributions of the latter to the intellectual life of the nation speaks eloquently for excluding those who are no better.

The American public has been indifferent to Mexican immigration because the peons have been so concentrated in the Southwest that the problem seemed local, rather than national. There are, however, certain groups with material interests at stake, who are fighting hard, for and against the peon, and will ultimately make him a national issue. For that reason it is important that the public know the parties to the controversy and the motives which actuate them.

The line-up is discerned from the list of witnesses who appear

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before the committees of the Senate and the House when public hearings are held on bills dealing with immigration from Mexico. At the Senate hearings in 1928 there was only one private citizen who spoke in favor of restriction, Mr. E. H. Dowell, Vice President of the California State Federation of Labor. While he objected to Mexican immigration on the grounds that it constitutes a drain on our charitable and penal institutions, it probably is not unfair to say that his opposition was also based on labor's traditional fear in connection with immigration, that the American wage would be lowered. With the exception of Mr. Dowell, every one of the witnesses was opposed to applying the European quota system to Mexico, and all represented agricultural, mining or railroad interests which employ Mexican laborers. The Senate committee heard no statement from a eugenist, a social scientist, or anyone with even a local reputation as a student of race and immigration problems. None of the witnesses could honestly claim to be an unselfish representative of the general public; that mysterious entity, as usual, had no spokesmen.

From the testimony, one would infer that harvesting peaches, beets, oranges and grapes is labor so menial that white men could never, under any circumstances, be induced to perform it; that the trans-continental railways could not operate if peons were not available for track work; that, with the advent of restriction, the cities of the Southwest would shrivel and the entire region revert to the desert from which the peon allegedly has redeemed it. It is forgotten that there was practically no immigration from Mexico prior to 1908; yet few old-timers would admit that the Southwest has come into existence since that late date.

It is worthy of incidental note that in defending the peon, the railroads and the farmers, usually opponents, stand side by side. They are at one because both employ peons, and they prefer as large a supply at as low a price as possible. The old-fashioned farmers considered themselves workers and rejoiced at any increase in the market value of labor; our present-day farmers, at least the kind that appear before Congressional committees, are primarily employers of labor and prefer to buy it at low prices. So do the railway companies. Of course some farmers are in favor of restriction. But they are mainly "dirt" farmers, whose incomes must be chiefly attributed to the value of their own labor.

Though the employers in question are fairly well agreed in wanting as many peons as they can get, the restrictionist must choose

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from a variety of proposals. It has been proposed that Mexico be placed under the quota provisions applicable to European countries, which would mean that about 1,500 Mexicans might enter each year. There is little to commend such an arbitrary method, but it has the practical advantage of being in force with respect to Europe and therefore seems logical for application to other regions.

It has been suggested that we could not with good grace apply the quota system to Mexico without at the same time applying it to Canada, although there is almost no opposition to immigration across the northern frontier. This objection can not be sustained. Our government has never considered itself obliged to extend an equal welcome to all races. The control of immigration is a domestic question, and the fear of offending some of those who do business with us in South America should not deter us from making such discriminations as are felt to be in the national interest. The Department of Labor has favored a quota plan for Mexico, based on 10 percent of those who were here in 1890 instead of the 2 percent allotted to European countries. Others favor excluding Mexicans as we now exclude Asiatics.

Any restriction, however, will be futile until some way has been found of effectively preventing illegal entries. Until then any further tightening of the paper restrictions would probably make matters worse. As it is, the illegal entrants who evade our inspecting officers are the ones who bring in some of the worst crop pests, as well as diseases of men and animals. Illegal entry can not be prevented by means of an inadequate border patrol spread out along 1,800 miles of frontier. The methods now employed could not be made effective if our entire military forces were concentrated along the border. If the peons who enter illegally are left undisturbed they will always find ways to cross the frontier. We must be on guard against illegal entrants, not merely at the border, but throughout the entire United States. Registration of aliens would help. Laws prohibiting the employment of those with visible Indian blood, who could not show that they were rightfully in the country, would help more. Practically all the peons are wage workers, and if they were required to show their right to be in the United States before they could lawfully be furnished with lodging or employment, crossing the border illegally would become a feat not worth the doing.

There has been a proposal that Mexican laborers be permitted

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to enter under contract for a definite term and that bonds be posted for their return. If Congress attempted to enforce specific performance of such contracts, it would probably be held unconstitutional by reason of the provisions of the Thirteenth Amendment prohibiting involuntary servitude. Even if there were no such attempt, the plan is of doubtful merit. If the peon is considered undesirable as an immigrant and permanent citizen, we ought not to accept him as a mere piece of productive machinery. Immigration inevitably leads to racial fusion; and any nation which regards its immigrants as mere factors of production is laying up trouble for itself.

It remains for us to consider the suggestion that our immigration authorities are admitting many peons in violation of the Immigration Act of 1924. That act, it will be recalled, denies admission to all aliens "ineligible to citizenship," save those falling within the excepted classes. Our laws restrict naturalization to "free white persons and to persons of African nativity or descent." The federal courts have repeatedly held that aliens of mixed blood are eligible only in case they have a preponderance of white or African blood. Under these laws and decisions, full-blood Indians, or Indians of mixed blood unless they are preponderantly white, are not admissible. The Immigration Bureau is not enforcing the law. There is no evidence that the immigration authorities on our southern border are rejecting full-blood Indians from Mexico or requiring those of mixed blood to prove that they are predominantly white. It seems, rather, that there is a tacit understanding among all the departments of the federal government that they will proceed on the false assumption that anyone born south of the Rio Grande is a white person. In spite of a mountain of anthropological evidence to the contrary, the Bureau of the Census lists all immigrants from Mexico among the foreign born whites, and this practice has extended to our state authorities.

It is impossible to predict what form of restriction will be applied to Mexican immigration, but it seems certain that restriction of some sort must come. Approximately one out of fifteen of the present generation of Mexicans has left his homeland for the United States. More Indians have crossed the southern border in one year than lived in the entire territory of New England at the time of the Plymouth settlement. This movement, the greatest Indian migration of all time, will have to be curtailed for the same reasons that dictated the Immigration Act of 1924.

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OIL LEGISLATION IN LATIN AMERICA

By Sir Arnold Wilson

WHEN the American petroleum industry turned its attention south of the Rio Grande, at the beginning of the present century, few Latin American states had laws specifically dealing with petroleum deposits. Such legislation as existed was embraced in the old mining laws dealing with coal and mineral ores. In almost all cases these laws were inherited from the mining laws of the mother country whose underlying principle reserved to the Crown all minerals, whether on the surface or in the subsoil, subject to certain rights granted to the discoverer and exceptions based on the nature of certain deposits. Building stones and clays, for example, were considered to be part of the soil rather than deposits in it. In general coal, not then of large value, was in this class, and the real and assumed relations of coal to other hydro-carbon deposits, such as petroleum, has introduced much confusion into legal interpretation of the older laws throughout Latin America. Either from an anxiety to discard all trace of the monarchical system or from motives of private interest, many of the republics abandoned the principle in favor of another rule widely followed in England and the United States — that the surface owner is also the owner of rights to minerals he may discover in the subsoil. The change, which mostly preceded by several decades the discovery of oil in the United States, was seldom the result of judgment based on long-view national advantage. It derived partly from the desire of states, generally controlled by dictators, to obtain funds from a system of concessions, and partly from the example of the United States, where private ownership had encouraged the rapid and successful exploitation of mineral resources.

The development of the oil industry and its expansion southward forced all the Latin American countries to enact specific legislation. The concession system developed correspondingly. In certain cases concessions were legislatively complete; some required compliance with certain specified laws; while the most vital aspects of others were dealt with by successive ministerial decrees.

Legislative uniformity as regards both conception and treatment of the problem is lacking. In Dutch Guiana petroleum de-

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velopment is restricted entirely to the subjects of the sovereign state; in Brazil effective control must be in the hands of citizens; in British Guiana this stipulation exists but only affects lands belonging to the state. In some states a proportion of the shares must be offered to local citizens; in others a proportion must be allotted free to the national government. In Guatemala petroleum concessions may not be held by nationals of countries which do not extend similar privileges to Guatemalan citizens. In Bolivia, Chile, Colombia, Ecuador, Guatemala, and Peru there is a disposition to hold that deposits of petroleum wherever found are the property, not of the surface owner, but of the state. In some of these states this is an underlying rule and in others it applies only to lands granted before or after certain dates. In Brazil the surface owner has full subsoil rights, subject to liability to expropriation. In Guatemala the surface owner has a right to a share of the royalties enjoyed by the state. In Argentina a bill has passed the Lower House which declares that all petroleum deposits are national property, and authorizes the expropriation of all foreign producing companies, though without as yet providing the requisite funds for their purchase. In Mexico the central government now retains the ownership of mineral resources. Formerly it conceded the landowner the rights to coal and oil in his land, but re-claimed these in 1917, with effects temporarily disastrous alike to the oil industry and to the country's finances. The major difficulty here arose over the status of these minerals in lands to which title had passed from the government prior to 1917 but as to which there had been neither development nor erection of separate title.

A like diversity prevails in the regulations governing the status and domicile of the producing company. In Trinidad, British Guiana, Argentina, Bolivia, and Brazil the company must have a domicile within the country's domain. In Ecuador, if the lessee is a foreign company, the manager must have adequate powers. In Colombia a distinction has been drawn between exploration and exploitation; for the former purpose a local domicile is unnecessary. The laws of this country are now in process of revision and this distinction may disappear. In a few countries the point is not covered by specific regulation.

Many states have an overriding clause which provides for the forfeiture of concessions if they are obtained by, or transferred or mortgaged to, a foreign government, or if a foreign government is

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admitted as a partner or shareholder. The effect of these clauses is as doubtful as the origin of many of them is obscure; the precise language employed varies in each country and is susceptible of various interpretations, none of which can be regarded as authoritative, since no test case has been brought before any Supreme Court. Their existence in certain states tends to exclude certain companies in which governments have a shareholding or other interest. Such companies exist in England, France, Italy, Spain and elsewhere, and their number is likely to increase.

In the absence of decided cases, the law in several Latin American states is doubtful with respect to the right of the surface owner to draw oil and gas from adjacent sub-soil in another's possession. English mining law gives the right to the discoverer of a vein of lead to follow the vein beneath the property of others, and to remove the ore. So long as mining was carried out on a small scale, this ancient principle, known as the Apex law, which was merely confirmed by Edward I in 1287, encouraged mining by guaranteeing to the discoverer the fruits of his enterprise. As deep mining became common, however, this guarantee proved unworkable, and the principle of vertical limitation was adopted. It is enforced today in the coal industry. In the United States a succession of legal decisions has established the principle that oil or gas in the earth belongs to that surface owner who captures it and reduces it to possession, this rule having been derived from an older one covering wild game. Surface ownership, therefore, confers the right to drill and produce oil and gas from the owner's or from adjacent properties; offsetting thus becomes the only remedy. Whether this principle would be maintained in the courts of certain Latin American countries, where the principle of vertical limitation is enforced, is not certain.

It would be the task of an encyclopædist to survey the entire body of disparities in Latin American oil legislation, for it is a maze of bewildering diversity. Laws have grown partly out of purely fortuitous circumstances, as in Argentina, where the legislation owes some of its inspiration to a strong radical party, recruited largely from recent immigrants from Europe, and partly out of a desire to avoid the political inconveniences suffered in Mexico and elsewhere by the sudden growth of a highly organized industry in a pastoral and agricultural economy. In only one particular have the laws anything in common; they serve to re-

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strain the wasteful system of exploitation practised in the United States. The very difficulties placed in the way of the development of petroleum deposits by foreign capital tend to conserve the potential production of large Latin American areas. Thus they operate at the moment to the advantage of the oil industry as a whole during the present period of overproduction.

II

As we have seen, the primary determining factor of the Latin American oil legislation in existence and in contemplation has come from the old Spanish mining laws. But other influences have been at work. For example there are many traces of the strong diplomatic influence exerted by Washington in 1919, when the view was widely held in the United States that its own oil resources were within measurable distance of depletion, if not exhaustion, and that outside sources of supply were vital to the national welfare. The predominant factor at present, however, is the somewhat violent national reactions directly provoked by the diplomatic and commercial activities of the post-war period. Legislation born in fear and nursed in an atmosphere of misapprehension and distrust seldom deserves a permanent place among a nation's statutes. It is almost invariably harmful to its economic welfare. Such Latin American oil legislation as owes its inspiration to this influence is no exception to the rule. It is based on the following assumptions:

First, that petroleum deposits in any given country are the absolute property of the inhabitants, to be utilized or not solely in their own interests, without reference to the needs of the world at large.

Second, that the investment of large amounts of foreign capital in an undeveloped country is a potential menace to that country's independence, whether political or economic; that this applies in a peculiar degree to the capital required for petroleum development; and that special enactments are therefore necessary to prescribe the conditions under which such foreign capital investments may be made.

Third, that there is a probability of a world shortage of petroleum products in the comparatively near future and that each government has the duty in the vital interests of its nationals, *and therefore the right*, to take steps to conserve its own reputed deposits of petroleum for the use of future generations.

Fourth, that exports of petroleum, whether crude or refined, constitute a drain on the natural resources of the country concerned, without adequate counterbalancing advantages, since petroleum deposits, however vast, are limited.

We will first consider the assumption that petroleum deposits,

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in common with other sources of raw material, are the absolute property of the territorial authority, without reference to the needs of the rest of the world.

International jurisprudence, while recognizing specifically the absolute sovereignty of the territorial authority within its borders, condemns its exercise in a manner needlessly detrimental to others. A host of international organizations has grown up in the last century to give effect to this principle in the realm of communications, in hours and conditions of labor, in sanitation, in transit problems, and in many other fields. It is not unreasonable to suggest that the time is ripe for international recognition of the increasing interdependence of all countries in regard to raw materials, and for an attempt to translate the necessary implications of such recognition into a form of agreement.

"Private property," wrote Mill in his book on Distribution, "in every defence of it, is supposed to mean the guarantee to individuals of the fruits of their own labor and abstinence. The guarantee to them of the fruits of the labor and abstinence of others, transmitted to them without any merit or exertion of their own, is not of the essence of the institution. . . . To judge of the final destination of the institution of property, we must suppose everything rectified which causes the institution to work in a manner opposed to that equitable principle of proportion between remuneration and exertion, on which, in every indication of it that will bear the light, it is assumed to be grounded." Had Mill been dealing with the rights of states in relation to the world and to each other, and not with those of individuals, it can scarcely be doubted that he would have demanded a revision of the assumptions on which national policy is now based so far as concerns the control of raw materials and especially of mineral resources.

The need for revision is implicit in almost every page of the resolutions passed by the World Economic Conference at Geneva in May 1927. This conference, like that of 1928 at Havana, was, it is true, silent on the question of petroleum, to which only incidental references were made; but the *argumentum ab silentio*, always weak, is wholly inapplicable. One resolution, dealing with the economic and fiscal treatment of nationals of one country admitted to settle in the territory of another, has a direct application, however, to the oil industry. It reads as follows: "Recommends a diplomatic conference for the purpose of drawing up

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an international convention for the abolition of unjust distinctions. . . . Meanwhile bilateral agreements providing for equitable reciprocity . . . might effect a valuable improvement." This resolution is a substantial endorsement of the policy embodied in the Mineral Leasing Act passed by the United States Congress in 1920[1], and deserves special attention at the hands of those Governments who have not yet found themselves able to give effect, in the sphere of petroleum legislation, to the policy unanimously endorsed by their representatives at Geneva.

The second assumption, that the investment of foreign capital is a potential menace and must be rigorously controlled, is perhaps more difficult to deal with than the first one. It is a thesis which is from time to time advanced in Great Britain, when, for example, American capital seeks an outlet in the electrical or automobile industry, or when the German chemical industry extends its activities across the Channel. It is frequently raised in the United States both in regard to petroleum and other companies. The course of wisdom in this matter is the middle course. On the one hand, each nation must maintain sufficient control over its resources to hold its own in competition with others: on the other hand, it must do so compatibly with the general welfare. In principle, it is obviously undesirable to limit the inflow of foreign capital into Latin American states, especially at a time when it is urgently needed and is scarce and dear. Few Latin American countries can afford to discriminate against foreign capital, still less against capital from the United States, since the bulk of their exports (except in the case of Argentina) are destined for the United States.

In point of fact, the statistics of foreign investments in the ten states of South America show that they have little cause for alarm. In 1928, United States investments were estimated at rather over 2,000 million dollars, as against 4,000 million dollars from Great Britain and 2,000 million dollars from other countries. Public loans in the ten countries total rather over 1,500 million dollars. It is clear that, generally speaking, Latin American borrowings are well spread. From Latin America's point of view it is more important that its exports, and therefore its imports, should be more widely distributed than at present. It is bad to borrow exclusively from one country; it is worse to trade with

[1] Holland was in 1928 recognized by the United States as a reciprocating country for the purposes of the Act.

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one country only, and worse still if that country is also the principal lender.

High American tariffs are, however, a real source of grievance to Latin American statesmen. They have not forgotten that the third of President Wilson's Fourteen Points was: "The removal as far as possible of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance." They believe, too, that the recent purchases by United States interests of Latin American business concerns hitherto controlled by European capital are part of a deliberate plan whose object is not so much to earn dividends as to win trade. They do not desire to become subject to the sort of economic servitude which is liable to supervene when trade is conducted with one country only and with one which is also the principal lender.

The facts nevertheless suggest that the political-economic danger to Latin America from an influx of foreign capital is negligible and that within the life-time of men now living these countries will have largely ceased, like the United States, to borrow abroad and will have become financially self-sufficient.

We shall now turn to the third assumption, that there is a probability of a world shortage of petroleum and that each nation should therefore conserve its own deposits.

To begin with, it is clear that the principle of national conservation of mineral resources cannot be confined to petroleum and that if it is exercised in regard thereto other nations who need it will be tempted to retaliate. There are many metals of which one nation or group of nations has a virtual monopoly today, *e.g.* mercury, Spain and Italy; gold, the British Empire; vanadium, Peru; copper, the United States. If the nations of the world were to initiate a series of export controls, based on a policy of national conservation of raw materials, or in retaliation for such a policy, the prospects of civilization would be poor indeed.

No reliable estimate of world resources in oil has yet been made or can possibly be made in the near future. Such estimates as have been published have been promptly questioned by competent engineers and in due course falsified by experience. The world's output today is far below the capacity of actual producing wells. For our purposes we may take the estimates of the United States Geological Survey as being the best available basis for dispassionate consideration. These credit the world with some

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43,000 million barrels, of which the United States holds about one-sixth and Latin America about one-third. When it is borne in mind that the total population of Latin America from Mexico to Tierra del Fuego inclusive is under rather than over 90 millions, as compared with over 120 millions in the United States, and that the per capita consumption of petroleum products in Latin America today is estimated to average scarcely one-twentieth of the corresponding figure for the United States, it is clear that no group of people has less reason to fear a shortage of petroleum than the Spanish and Portuguese speaking communities of the New World. Plainly it is a mistaken policy to base oil legislation not only on an assumed shortage but on the idea that no new sources of power and no better means of discovering and utilizing petroleum will be discovered. All the petroleum produced to date is less than two-thirds of a cubic mile in bulk; there is much more than that somewhere.

We come to the fourth assumption, that exports of petroleum constitute a drain on the natural resources of the country concerned, without adequate counterbalancing advantages. In this connection the following quotation from a recent speech by Sir John Cadman before the American Petroleum Institute is very much to the point:

> So soon as a nation's oil resources are discovered, their forces tamed and harnessed, and the process of extraction reduced to a matter of routine, that nation is within her rights in conserving an ample measure of these resources for the greater safety of her realm. . . . In a country of small consumptive power the mere possession of natural oil is of itself an asset only in so far as a whole complex of external conditions makes it so. Without hundreds of investors willing to lose four times out of five in the hope that at the fifth they will make good their losses; without the instruction of a whole faculty of technical resource, founded and developed in other countries — or, it may be, in another hemisphere; without an army of pioneers who have adjusted the needs of man to the character of the product and vice versa; without a network of distributive systems having been traced upon the face of the globe — without every one of these things, the oil deposits, priceless as they are potentially, might just as well have been deeply buried in the moon.

III

More than one attempt has been made in recent years to secure the collective consideration of economic problems by the United States and the Latin American states. At the first session of the American Institute of International Law held at Washington in 1916 the jurists representing the American republics adopted a

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declaration of the rights and duties of nations, Article 11 of which reads as follows:

Every nation has the right to independence in the sense that it has a right to the pursuit of happiness and is free to develop itself without interference or control from other States, *provided that in so doing it does not interfere with or violate the rights of other States.*

This, the first official recognition of what Herbert Spencer terms "universalistic hedonism" as an international principle, was as far as the jurists were prepared to go in 1916. But at Havana in 1928, at the Sixth International Conference of American States (generally known as the Pan American Conference), the Governing Board recommended the preparation of projects of uniform legislation on "(a) commercial law and other branches of legislation in which uniformity is possible and desirable;" and "(c) principles to which the juridical status of companies in a foreign State should be adjusted, with a view to securing uniform standards." A resolution was passed organizing three permanent committees, at Rio de Janeiro, Montevideo and Havana respectively, to deal systematically with these and other matters, with a view to including them in the agenda of a future international conference. The committee with headquarters at Havana was constituted to undertake the study of comparative legislation and to consider the expediency of uniformity of legislation. Its functions were defined as follows:

(a) To present to the governments a list of the subjects susceptible of codification and uniformity of legislation, including those definitely subject to regulation and formulation, and those which international experience and new principles and aspirations of justice indicate require prudent juridical development. The presentation of this list shall be for the purpose of obtaining from the governments a statement as to the subjects which in their opinion might be the object of study as a basis of the formulation of conventional regulations or of organic declarations.

(b) To classify, on the basis of the aforesaid list and of the replies of the governments, the subject matter in the following manner: (1) subjects which are susceptible to codification because they have the unanimous consent of the governments; (2) subjects which are susceptible of being proposed as subject to codification because, while not unanimously supported, they represent the predominant opinion of the governments; (3) subjects with respect to which there is no predominant opinion in favor of immediate regulation.

(c) To present the foregoing classification to the governments in order to ascertain their general views with respect to the manner in which the juridical problems of codifiable subjects can be brought up and resolved as well as all information and juridical, legal, political, diplomatic and other antecedents which might lead to a complete understanding.

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(d) To request and obtain from the national societies of international law their scientific opinion and their general views regarding the regulation and formulation of the juridical questions which are the objects of these committees.

(e) To organize all the foregoing material and remit it together with drafts of projects to the Pan American Union, which shall submit them to the scientific examination of the Executive Council of the American Institute of International Law so that it may make a technical study of said drafts and present its conclusions and formulas, with full explanations in a report on the subject.

At the opening of the Conference a gallant attempt had been made by Dr. Pueyrredon, chairman of the Argentina delegation, to force the pace and to bring economic questions under the direct purview of the Pan American Union. The preamble to the Convention placed the signatories on record as "desirous of promoting efficaciously the harmonious development of their economic interests," thus vesting the Union with an economic function. Dr. Pueyrredon wished to add the following clause: "Economic coöperation being an essential factor in the realization of these purposes, the signatory States tend to the suppression of unjust obstacles and excessive artificial barriers which may hinder natural interchange or restrict the liberty of commerce between the nations of America, without according privileges or creating exclusions." But his views were not accepted and he resigned his position at the Conference: the Union decided that economic questions were domestic in their nature and beyond its competence. There, for the moment, the matter rests; but not, it is to be hoped, for long.

IV

Innumerable questions of principle and detail, both of legislation and practice, will face those who shoulder the task of standardizing Latin American oil legislation. Many of them have been indicated in this survey. The main aim and object should be to include a measure of rationalization. To be precise, the principle of unit development should be introduced, though without retrospective effect. By this term is meant unified control of single geological formations, or so-called "pools." Wherever commercial foresight or good fortune has made possible the adoption of this principle, it has had the following results:[2] (1) increased and prolonged supplies, which can be regulated to meet

[2] See paper by H. L. Doherty in "Petroleum Development and Technology," published by the American Institute of Mining and Metallurgical Engineers in 1925; also papers by I. L. Dunn and J. O. Lewis in the issue for 1926.

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supply and demand; (2) lower costs and a minimum of waste of gas; (3) more oil recovered, *i.e.* less left irretrievably in the earth, as gas and air lifts, repressuring and other systems can be applied at an early stage; (4) effective control of water; (5) resulting from the above, steady prices, creation of fresh wealth, steady dividends to shareholders, and royalties to governments and other royalty owners.

Further points of international importance which must be arranged are: (1) an international convention to regulate pipelines from one territory through a second to the sea, on the basis of the International Convention of Barcelona on Transit (1921); (2) income-tax questions (already under examination by the League of Nations); (3) import and export duties on petroleum products, crude and refined, and on material for petroleum development.

The time is ripe to make a beginning at the task of codification. As we have seen, the permanent committees set up by the sixth Pan American Conference constitute the nucleus of an organization already empowered to study comparative legislation with a view to the encouragement of uniformity. Other factors are also propitious. Over-production of petroleum in the United States and elsewhere has caused a temporary slackening in the demand for the immediate development of the Latin American oil fields. Mr. Hoover's good-will tour has not been without its effect on American relations. A concerted effort is being made by the principal oil groups, American, British and Dutch, to reach an agreement on general principles which, while leaving each group with the fullest measure of freedom, will in future prevent periods of scarcity and high prices alternating with periods of excess production and cut-throat competition for markets.

But before it is considered for codification, the material must be collected and assembled and tentatively codified. This is a tremendous task. It is such a task as might be undertaken by the oil industry itself. Unlike some great industries, the oil industry is not controlled by financiers, though it occasionally suffers from their intervention; it is master of its own destiny and its captains are not without souls. So far from being a disturbing factor in international gatherings, as is sometimes represented, the petroleum industry has striven, both during and after the war, to find a course consistent alike with its duties to its shareholders, to the nation to which it owes allegiance, and to world welfare. Here is

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an opportunity for international coöperation in the interests of world welfare. The lead might well be taken by the American Petroleum Institute, with whom, if invited, the representatives of the European industry would gladly collaborate.

Coöperation between national and international forces there must be, if civilization is not to founder. And in the form of codification suggested there is room for the fullest measure of elasticity, which will take into account the varying economic ambitions, as well as needs, of the interested states. It is only through nation working with nation, forgetting national boundaries, that we shall ultimately succeed in placing the mineral resources of the world at the disposal of all humanity on equal terms.

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VENIZELOS AGAIN SUPREME IN GREECE

By Hamilton Fish Armstrong

THE machine-gun holes made during the 1920 elections on the front of Mr. Venizelos's former house on University Street are still there. But the visitor to Athens today finds few traces of the violent hostility between Royalists and Venizelists, which came to its savage climax when ex-Premier Gounaris and his colleagues in King Constantine's Cabinet, held responsible for the Asia Minor débâcle, were stood up against a wall and shot. I recollect an incident that shows how families used to be divided. It was during the Constantine régime. The widow of a famous archæologist, a lady of strong anti-Royalist feelings who lived next door to Mr. Venizelos, took me out into her garden to look at the scars made on her property during the 1920 firing; her son, a Royalist officer who happened to be in charge of the battery that dominated the Venizelos mansion, had swung around one of the machine-guns and casually sprayed a few bullets against the maternal façade in order to emphasize the strength of his views.

Of course there is still partisanship in Greece today; although Venizelos won 228 out of the 250 seats in Parliament in the last elections, approximately a third of the million votes cast were for candidates on the so-called "Royalist" ticket. But restless as the Greeks are, they were surfeited with the variegated programs of the Pappanastasiou, Pangalos, Kondyles and other phantom régimes, and for once their chronic desire for change coincided with a desire for something more stable. Hence the recall of Venizelos, and the fact that today he rules Greece by constitutional processes, almost single-handed, and without markedly bitter feeling in any quarter. Royalist protests were heard against the inclusion of General Gonatas in the cabinet appointed by Mr. Venizelos last June, for he was a member of the revolutionary government responsible for the 1922 executions; but they remained merely protests. General Pangalos, still to be tried on the charge of having fired on the people during the elections of 1928, lives in his villa at Eleusis and usually is to be seen playing cards in the village café. General Kondyles is, I heard, in Paris. Venizelos, around whom such passions flared, for the moment seems unchallenged.

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Venizelos is not wasting any of his precious time. He is a man of 66, and his years have not been spent in conserving his strength but in using it prodigally. One would not think it easy for him to shoulder again the burdens of active office. But today he looks younger, his eye is brighter, his speech quicker, than when he was in New York seven years ago. Those were mournful days. The edifice that he had built up was being swept away. He was intensely miserable and he seemed an old man. But today his little black skull cap, sign of age, has disappeared; work and power agree with him. He works long hours, busying himself with every detail of administration, investigating, writing orders. In his habit of acting promptly and preferring to write letters and memoranda in long-hand he is something like M. Poincaré, but more impulsive and intuitive and less systematic. Perhaps this energetic attention to detail is a weakness, especially since he is not a master of financial technicalities, but as his cabinet is on the whole mediocre (he is a better judge of situations than of men) it is necessary to turn to Venizelos personally to get things done; in consequence everyone does turn to him, and in so far as the tireless energy of one man can direct a modern state Venizelos directs Greece. He is not merely an administrator. He debates in Parliament on every subject, keeps close watch on the press, lays corner stones and makes public orations. Of course his particular interest is foreign affairs. He was hardly out of his bed with the *dengue* fever in the summer of 1928 before he was off to Paris, London, Rome and Belgrade, getting in order the pacts with Italy and Jugoslavia which have since been signed.

The population of Greece today is estimated at something over 6,300,000. This is about a million more than if there had been no exchange of populations, about 1,400,000 Greek refugees having come in and about 350,000 Turks and Bulgars having gone out. Of the total population only about 300,000, say 5 per-cent, are of non-Greek blood, so that Greece is now one of the most compact and homogeneous countries in Europe — a very different Greater Hellas from that set up by the Treaty of Sèvres, when Old Greece and New Greece were geographical expressions. Today the citizens of New Greece are intermingled with those of Old Greece, and the risk of sectional rivalry no longer exists. Next to the disappearance of Royalist and Venizelist fratricidal passion this is the greatest change in the Greece of today from that of the first years after the Great War.

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The refugees have of course been a burden, but when the sufferings of this generation are over the balance will thenceforward be on the credit and not on the debit side. For the first time since Byzantine days practically all Greeks are under Greek rule, and for the first time in history they live compactly. There are Greek colonies at Alexandria and Marseilles, and some 80,000 Greeks still cling to their precarious existence in Constantinople, but there is no Greek *irredenta* except in the Dodecanese islands and in Cyprus, of which more later. Much has been done for the refugees, most of whom arrived on the shores of their motherland destitute and miserable. About half the number have been "settled" by the Greek Refugee Settlement Commission, established by the League of Nations and directed in turn by three Americans, Mr. Morgenthau, Mr. Howland and today Mr. Eddy, ably assisted by Sir John Hope Simpson and Mr. Alexander Pallis. Of the remainder, the Greek Government itself took care of a considerable proportion by giving them the former farms or houses of exchanged Turks and Bulgars. A further number were of the educated class, professional men such as doctors and lawyers, or else trained in some industry like carpet making; many of these were able to start life anew without special help. The rest have fended for themselves as best they could. I saw the hovels of groups of these latter in the Piraeus and Saloniki, made of scraps of board or loose stones mortared roughly together and roofed with Standard Oil cans, but swept clean and scrubbed inside and out, showing on every hand the decency and good qualities of the people living in them.

Today there is hardly a town in Greece where refugees are not to be found among the leading citizens. The imported agriculturalists, moreover, often are better workmen then the indigenous ones, and the standard of Greek agriculture is already being raised by the competition and example of the newcomers. Partly owing to the better methods used, but of course still more owing to the greatly increased acreage under cultivation, the tobacco production of Macedonia has been doubled and cereal production greatly increased; in several other parts of Greece where tobacco was not grown before it has been introduced, and grape growing and the raising of silk-worms has been developed. In consequence, the large adverse trade balance characteristic of Greek commerce is gradually being reduced. The Commission wisely followed the aim of getting as many of the refugees as possible into productive

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work on the land, and refused to attract them into the already overcrowded cities by building dwellings for them there. Roughly six-sevenths of the persons "settled" by the Commission have been put on the land.

Of course there is another side of the picture. So much has been done for the refugees, and on the whole it has been done so efficiently, that their lot in many cases is better than that of the poorer peasants of Greece proper who have clung to their old habits and their old farms. In the cities, too, when the refugees once get a start they sometimes crowd established persons out of business. The refugees are thoroughly organized and are articulate through their own deputies in Parliament, whereas the older inhabitants are divided among several party allegiances. In the cities the two elements are so mixed that feeling does not become concentrated or coherent, but there undoubtedly is some envy on the part of the hosts at the way in which their guests have made themselves at home and the efficient way in which their rights are protected by their political representatives. The natural processes of time and marriage will close the gap, but the refugee leaders are naturally not averse to keeping it open. Many related problems are still to be solved. The vast reclamation and irrigation schemes in Macedonia will produce quantities of highly fertile and valuable land. Will the refugees alone profit from this new land, or will they get an undue share of it? Their present allotments average ten acres. Will the new land be assigned preferentially to their children, or will poor peasants in general or completely landless persons from the cities be permitted to share? Such questions ought to be studied in advance, but there is no indication that as yet they are engaging the attention of the authorities.

Until this year Rumania was the only Balkan state having a second chamber. The example of the Rumanian Senate has not as a rule been one to inspire envy in neighboring states, yet Greece has just instituted a Senate and Jugoslavia is thinking about following suit. At the time the Greek Republic succeeded the Monarchy, the new Constitution provided for the revival of the Senate abolished in 1863. When Mr. Venizelos in 1928 abandoned his studies of Thucydides, which he had been pursuing in his native Crete, and resumed active control of the Liberal Party as a preliminary to again becoming Prime Minister, he announced that he would proceed to put the constitutional provision into

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effect. As a preliminary, he signed a decree providing that both House and Senate should henceforth be elected by the majority instead of the proportional system. The senatorial elections were held last April. As foreseen, the Venizelists won nearly three-quarters of the 92 members elected. These, with 18 more appointed by the universities and shipping, commercial and other associations, met with the House to choose 10 more "for merit," making a total of 120 members. The Senators chosen by the electorate hold office for nine years and are replaced by thirds every three years; those elected jointly by the House and Senate hold office only during the legislative term of the House. The chief powers of the Senate are revisionary and negative. One important provision is that it must give its consent before the President can dissolve the House and call new elections.

As soon as the Senate had taken office it met in joint session with the House and chose a President of the Republic. Though Admiral Condouriotis, who was elected for a five-year term, had been serving as Provisional President for even longer than that, this was the first opportunity for formally inducting him into office in the manner laid down by the Constitution.

In its dealings with foreign states the present Greek Government is following conciliatory lines. This is due not only to the weakness of the internal position, after the sufferings of three wars, the influx of refugees, and the bitter party feuds, but because Greece feels that she was badly let down by both Great Britain and France, and she is not going to risk burning her fingers again. England's influence in Greece is traditional; that of France has been more marked in intellectual and cultural realms. But it is no secret that neither country feels in a position today to give guarantees to Greece — and next door is Mussolini. Italy is the nearest of the Great Powers to Greece, and she aspires to be the mistress of the Mediterranean.

Feeling the pressure of the situation, Mr. Venizelos hastened to make a general pact of amity and arbitration with Italy, and more or less duplicated it in the pact with Jugoslavia signed at Belgrade, March 27, 1929. Preliminary to the general pact, the representatives of Greece and Jugoslavia met at Geneva and on March 17 reached an agreement regulating the use of Saloniki by Jugoslav commerce. General Pangalos in 1926 had been willing to treat the Jugoslavs very generously as regards Saloniki, but he fell before his arrangements could be ratified. By the new

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arrangement the Jugoslav Free Zone at Saloniki, which General Pangalos had agreed to enlarge, reverts to the boundaries agreed upon in 1923; only Jugoslav merchandise shall pass through it, transit merchandise through Jugoslavia being assigned to the Greek Free Zone; and Greek sovereignty is fully protected, both as regards port administration and as regards the management of the railway. The rights in that railway which Jugoslav financiers in 1923 acquired by purchase from the *Chemins de Fer Orientaux* are transferred to Greece for 20,000,000 francs. The general treaty with Greece was also something of a disappointment to Jugoslavia, who had been hoping for a promise of Greek help in case Bulgaria should join forces with Italy in any future conflict. But Venizelos was not to be led into a commitment of this sort.

The success of Mr. Venizelos in satisfying Italy and Greece simultaneously shows his powers as a diplomat. It is the end of the first act of his foreign policy. The beginning of the second will be awaited with interest. For one thing is certain — Mr. Venizelos always has a program.

Particular interest will follow his course with regard to the Dodecanese, a group of islands in the eastern Aegean with a population that is almost wholly Greek. Today Rome makes no bones about its intention to keep them permanently, but though Mussolini speaks of Italy's "undisputed possession" the fact is that her squatter rights have never been recognized by the other Great Powers nor by Greece, and the occupation has brought long and loud complaints from the inhabitants. In the complicated history of the case certain events stand out: 1911 — Italy's occupation of the islands during the Libyan war, and her statement that it was to be "temporary"; 1920 — the Græco-Italian accord signed simultaneously with the Treaty of Sèvres, renouncing in favor of Greece all Italy's "right and title" over the islands; 1922 — Italy's repudiation of this agreement after the collapse of the Greek campaign in Asia Minor and the upset of the Treaty of Sèvres; 1923 — the silence of the Treaty of Lausanne on the future of the Dodecanese (though Mr. Venizelos made reserves on the subject when he signed); and today Italy's intensive fortification of the islands, especially Rhodes and Leros, accompanied by a campaign of Italianization and by petty persecutions of those who do not bend to it. In May the King and Queen of Italy visited Rhodes and the Roman press spoke of the Italian annexation as "irrevocable."

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When he went to Rome a year ago, Mr. Venizelos agreed that the Dodecanesian question should be left to one side (also, apparently, the question of the Italian penetration of Albania), and in signing the treaty of friendship and arbitration with Italy he did not repeat the "reserves" he made six years ago at Lausanne. To journalists he merely said that the question had not been introduced, that it was one solely between the Italian Government and the Dodecanesians, and that the lot of the latter would be ameliorated as a result of better relations between Rome and Athens. His expectations, based presumably on Italian assurances, do not seem to have been fulfilled so far. Complaints continue to be heard about the compulsory instruction in Italian in all the schools in the islands (even on an island like Calymnos where there is not a single native of Italian blood), the Vatican's appointment for the first time of an Archbishop of Rhodes, and the evident intention of the Italian Government to get the Orthodox Church there under its control, presumably as an instrument of denationalization. Several of the Orthodox sees in the Dodecanese are now vacant, and when the Oecumenical Patriarch named new incumbents of Greek nationality they were refused permission to land. Dodecanesian leaders profess to believe that Italy intends gradually to extinguish their autonomous church and set up a Patriarchate under Italian control, perhaps with its seat at Venice; this might be accomplished by a *coup* similar to that by which the Albanian Government recently established a Patriarchate of its own in defiance of canon law.

The Dodecanesians are of course quite impotent to resist Italy unaided, nor is Greece in a position to do much for them. Any hopes which they have for the future must be based on the following ideas: (1) a dictatorship centering around a single man may lose its strength and direction when that man comes to the end of his career, or it may pass the bounds of public toleration and ensuing domestic disorders may weaken its action abroad; (2) a European catastrophe such as a new war or a new alignment of the Powers would have repercussions in Asia Minor; specifically, Italy might suffer heavily, or else she might gain so much that the islands might become of small value to her, or at any rate of less value than Greek friendship; (3) Great Britain, worried at the creation of an Italian Heligoland in the Aegean, might reassert its previous contention that the Italian occupation is temporary and might reinforce her pressure on Italy by herself

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offering to cede Cyprus to the motherland. None of these hopes is very substantial at the present time, but history has shown the Greek islanders to be a determined people, and they say they are prepared to wait.

Greek relations with Bulgaria and Turkey are not yet satisfactory, and apparently Mr. Venizelos considered them less susceptible of improvement than relations with Italy and Jugoslavia, because he reversed the order of approach of some of his predecessors and came first to terms with Rome and Belgrade; Mr. Papanastasiou and Mr. Michalakopoulos tried to begin at Angora.

Coloring all relations between Greece and Bulgaria is the fundamental problem of how to carry out the promise contained in the Treaty of Neuilly that Bulgaria was to have access to the Aegean through the narrow Greek coastal strip. Bulgaria does not feel like spending large sums of money to improve the harbor of Dedeagach unless she has something like a territorial corridor to it, especially as whatever is done for Dedeagach will be at the expense of her present Black Sea ports. At Lausanne the Powers definitely refused to give Mr. Stamboulisky a corridor to the Aegean, and Greece does not think of according it today. As a substitute she proposes that whatever Bulgarian commerce naturally flows south should pass through the Free Zone at Saloniki, and to that end she offers to make a railway link with the Bulgarian railways at some convenient point; unfortunately the existing Bulgarian line running south to Petritch is narrow-gauge, and even if it were connected with the Greek lines all shipments would have to be broken at the frontier. Both sides — Greece no less than Bulgaria — stand to gain by opening traffic routes from the north down to the Aegean littoral. The advantages would become even more obvious if Bulgaria ever realized her dream of constructing a bridge across the Danube at Ruschuk or at Vidin; Saloniki then would gain a hinterland extending up to Poland. The specific causes of most of the peevish comment that often flows back and forth over the telegraph wires between Athens and Sofia — as for example when Mr. Venizelos showed reluctance to compensate the Bulgarian emigrés from Greek Macedonia in view of the moratorium accorded Bulgaria in paying reparations to Greece — such matters, one is tempted to say of detail, can be adjusted. But the future is not likely to differ from the past in matters more fundamental. The triangular diffi-

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culties inherent in Greek control of the northern shores of the Aegean will remain to stir up feeling in Greece, Bulgaria and Jugoslavia, and will continue to offer opportunities for political manœuvering which only strong statesmen bent on peace will be able to resist.

The probable course of events in Turkey itself is far from clear, and Græco-Turkish relations are correspondingly unpredictable. Their general tenor varies from year to year, almost from month to month. Too much evidently was expected from the accord signed at Athens in 1926, as indicated by the Turkish Government's attempts in March 1929 to seize Greek properties in Constantinople which under the terms of the agreement were exempt. Later in the spring the protracted negotiations over the last thorny question of property claims were announced to have succeeded, and the way was said to be open for the signature of a pact of friendship between the two hereditary enemies. Then came word that despite the efforts of the neutral members of the Exchange Commission the pourparlers had been broken off. The upshot is still uncertain. With a rather weak legal case, Angora is not likely to favor arbitration at The Hague, suggested by Athens as a last resort.

Realistic Greeks understand that Mustapha Kemal's ultimate aim is to wipe out the last traces of Hellenism in all parts of his domain. This cannot be done without fresh heart burnings. About as many Turks (80,000 to 90,000) still remain in Western Thrace as Greeks in Constantinople. Though these Turks have not shown any desire for repatriation they might theoretically be exchanged for the Constantinople Greeks. The trouble is that the latter are mostly rich and substantial citizens, with important businesses and some of them with great fortunes. It would be hard to agree on terms for their exchange with Thracian peasants, the more so as Greece does not want any more refugees and as she thought the matter of the Constantinople Greeks had been finally regulated.

The Royalist leaders do not criticize the methods adopted by Mr. Venizelos to smooth out Greek foreign policy. Their chief aim seems to be to keep their organization alive and to color its program in such a way that it will not be too conspicuously inharmonious with that of the government; indeed, their small number in the Chamber gives them hardly any other alternative. It is significant that even in the pre-election campaign the

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Royalists posted up pictures of King Constantine, who has been dead for six years, rather than of his son George, who (though in exile) represents a political fact and not merely a tradition. The exiled King has been living quietly in Bucharest, and unlike his brother-in-law, Prince Carol of Rumania, has refrained from political intrigue. He has encouraged former royalist supporters to return to Greece and resume their old occupations, and bases his expectation of eventually being called back to his royal duties on the belief that the country gradually will come to see the advantages of possessing a stabilizing constitutional factor rather than on any idea that a revolution in his favor is imminent or desirable. In this he probably is wise. What attraction would there be for him in going back to rule an armed camp? The official Royalist leader, Mr. Tsaldares simply says that though he has not changed his juridical position he nevertheless recognizes that the question of the régime cannot be reopened today, and that meanwhile as a patriot he is glad to see a strong government in power rather than an ineffective coalition of groups. Some Royalists are inclined to blame their party leadership, which admittedly is not impressive. Referring to the failure of their candidates in the Senatorial elections, one of the Royalists papers said: "Shall we always be faced by the same dilemma when we go to the polls, of voting for a bad affirmation in order not to vote for a useless negation?"

The remark is apposite. The Greeks, despite their restless nature, are not going to vote against the Liberal Party until they see another leader with a positive program better than that of Mr. Venizelos. By that token no one seems likely at present to disturb Mr. Venizelos's span of power.

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SOUTH AFRICA AFTER THE ELECTIONS

By Jan H. Hofmeyr

ON June 12 a General Election for the House of Assembly took place in South Africa. Prior to the dissolution there was a House of 135 members, in which the "Pact Government" of Premier Hertzog had 73 pledged supporters — 63 Nationalist and 10 Labor — giving it without the vote of the speaker an assured majority of 10 over all possible combinations. On most questions General Hertzog could also count on the support of 7 members of a detached wing of the Labor Party, as well of one Independent, which meant in effect a majority of 26. The South African Party opposition, led by General Smuts, numbered 54.

In consequence of the operation of the automatic redistribution provisions of the South Africa Act, the new House will have 148 members. The elections have increased the representation of General Smuts' South African Party from 54 to 61, and the Labor wing of the government bloc has suffered a reduction in numbers from 10 to 5; but (allowing for a safe seat still to be filled) the Nationalist Party itself will be stronger by 15 in the new House than it was in the old. General Hertzog's own party will in fact now have a majority, after allowing for the speaker, of 7 over all possible combinations. With his pledged Labor supporters (for he has decided to continue the "Pact" in the Government as well as in the House), he will have a majority of 17. Moreover, he ordinarily will have the support of the 3 remaining Laborites and the one Independent, giving him a majority of 25.

The elections have therefore confirmed General Hertzog in office, with his effective majority practically unchanged. Labor representation has been reduced, and while the South African Party has improved its position as a result of Labor losses in the towns, this improvement is more than counterbalanced by the gains made in the rural areas by the Nationalists, who now for the first time in the history of the Union have an independent majority. General Smuts and the South African Party remain in the cold shades of opposition, and are left to extract what comfort they can from the fact that the number of votes cast for their candidates is not very far short of the number cast on the side of the Government and its allies.

These, briefly summarized, are the essential facts. What do they signify? To anyone outside South Africa the most interesting feature of the facts as I have stated them will doubtless be that for the second time in succession the electorate of South Africa has refused to accept the leadership of General Smuts. He is the one man in public life in South Africa with an international reputation. In Europe and America his name is still one to conjure with. His pronouncements on international questions are eagerly awaited. In relation to South Africa itself he has a magnificent record of service. State Attorney of the old South African Republic at 28; one of the heroes of the Anglo-Boer War; a leader in the restoration of the political influence of the defeated people after the struggle; foremost among the builders of the South African Union;

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as General Botha's chief lieutenant in the Union Parliament for nine years, and thereafter Prime Minister himself for five, the man who played the biggest part in launching the Union and in resolving the problems of adjustment which it brought with it; a valued member of the Imperial War Cabinet; an important figure at Versailles; the chief contributor toward establishing the status which South Africa has today among the nations of the world; with all this, a man held in the highest esteem in the inner circles of science and philosophy — yet, twice rejected by the electorate of his own land! Verily, here seems to be a prophet not without honor, save in his own country.

Of this phenomenon there is a twofold explanation. The first is to be found in the fact that General Smuts occupied a position of authority in South Africa during a long and difficult period in which the Government had to meet several very serious crises. Again and again the call came to him to act. He never shirked his duty. He struck quickly, and he struck hard. Inevitably he made enemies, bitter enemies, in the process. And his is not the personality which can pour balm on the wounds he has made, or ever appease the hostility of an enemy once created. So it was that the situations which he was called upon to face, and which he did face with courage, determination, and single-minded patriotism, coupled with defects in his personality, have drawn upon him the concentrated, implacable hostility of the people whom he has served so well.

The other explanation I find in that most important element in politics — sentiment. It is one of the first lessons to be learnt in public life that sentiment is a factor which the public man despises to his cost. To him who glories in his triumphant logic mere sentiment may seem to be stupid and annoying — but again and again it has proved to be stronger than logic, and more effective than the most powerful of arguments. The politician who exploits sentiment for narrow party ends is a grave danger to the state, but often, also, serious consequences flow from the attitude of the statesman who despises it. Let me attempt to indicate the part which sentiment has played in our recent South African history, and if it be remembered that for the most part General Smuts has been in conflict with sentiment, the cause of his unpopularity will be the better understood.

Circumstances have brought into juxtaposition in South Africa the descendants of two strong races, British and Dutch, each having reason to be proud of its history and traditions, the one firmly rooted in the soil of South Africa by centuries of settlement, the other able to draw on the wonderful resources of British civilization and culture, neither willing to surrender its individuality and its traditions, or even light-heartedly to see them comprehended in a larger whole. That juxtaposition made the nineteenth century in South Africa a century of strife, which left bitter feelings based on a sense of injustice among the physically weaker Dutch element. The culminating point was the Anglo-Boer War, which brought the whole of South Africa under the British flag. This had two not unnatural and for a time quite distinct reactions. First there was the political reaction, the movement of which General Smuts was one of the leaders, to reëstablish the political position of the Dutch-speaking element, superior (in South Africa itself) numerically, but as a result of the war inferior politically. Secondly there was what one might call the cultural reaction. The former Dutch Republicans had lost their liberty and

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were in a position of subjection. A small people, they were confronted with the mighty power of Britain, its world-wide culture, its centuries of tradition. It seemed inevitable that they should be swamped. Instinctively they turned to the protection of their own distinctive culture and traditions. They pressed the claims of their language, Afrikaans, as something different from the Dutch of Holland; they developed their literature in that language; they sought to promote their cultural union.

Of these two reactions the political movement came to fruition first. The statesmanship of Sir Henry Campbell-Bannerman gave responsible government to the two former republics within five years of the end of the war, and by 1908 they, and the old Cape Colony as well, were ruled by predominantly Dutch governments. This prepared the way for Union. It came into being in 1910 in an atmosphere of inter-racial goodwill, and General Botha became the first Prime Minister of a united South Africa as the leader of a predominantly Dutch South African Party. But the very rapidity with which the success had been secured was to be the cause of further trouble. Generals Botha and Smuts had won through, largely because of the liberalism of British statesmen. At the National Convention which framed the Act of Union the prevailing relations between Dutch and British South Africans were of the most friendly character. What more natural than that they should put racial conciliation in the forefront of their policy, and go forward as if the Act of Union did really represent a union of races as well as of lands? But in fact the equal status and equal recognition which alone Dutch national sentiment could accept as the basis of national unity had not yet been obtained. The strength of that sentiment among their own people was not fully appreciated by Generals Botha and Smuts. In particular they were out of touch with the cultural movement to which I have referred. And so the policy of conciliation induced a reaction, which came to a head when General Hertzog had a disagreement with his colleagues and was forced to leave the Botha Government in 1912. That fact gave a new direction to the cultural movement. With General Hertzog as leader it assumed a political bias; out of that the Nationalist Party was born, basing itself very definitely, in the first instance at least, on an appeal to a separatist Dutch national sentiment. On that sentimental appeal the Nationalist party grew gradually to greatness. At each successive election it increased its representation; at each election General Smuts, the chief opponent of the sentimental appeal, fell more and more into disfavor with his own people; at last, in 1924, the Nationalists came back from the polls as the strongest individual party, and in alliance with Labor, which was linked to it by a common dislike of Smuts, the stern represser of strikes and industrial disturbances, it formed a Government. It is that Government which has ruled South Africa for the last five years, and which has triumphed at the recent elections.

In determining the issue of those elections the sentimental appeal played a not inconsiderable part. It is true that in this respect the position in 1929 was not the same as in 1924. In the interval the Nationalists had enjoyed the effective coöperation of an almost entirely British Labor Party, and they had accepted the declaration of the 1926 Imperial Conference as satisfying their sentimental aspirations. Their leaders, feeling that the equality of status and equality of recognition, which had now been secured, provided a fair basis of

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coöperation between Dutch and British in South Africa, were certainly anxious for racial peace and harmony. But among the rank and file the fires kindled by the sentimental appeals of the past were not yet dead. The South African party's adoption of immigration as one of its platform planks suggested the fear that this meant the state-aided introduction of British settlers who might be counted on to "vote British." The Opposition's use of the German Treaty as the basis of an appeal to British sentiment produced the inevitable reaction. And so it came about that the anti-British nationalist sentiment which had carried the party to victory in the past found an almost spontaneous expression which was as effective as at any previous election.

It is of this welling up of sentiment, then, that General Smuts has been the victim, and indeed his still surviving unpopularity was an important contributory cause of the Nationalist victory.

Two other things must be mentioned in an attempt to account for the result of the elections. The first is this. The Hertzog Government was able to appeal to the country with confidence on its record. The last Smuts Government had ruled the country during a period of depression; the necessity of making both ends meet won them many enemies. Their successors had the advantage of a period of prosperity. For them there was no need to resort to unpopular expedients. Moreover, they used their good fortune in a manner which commended itself to most of the electorate.

Finally, there must be mentioned as a determinative factor in the elections a new issue which was introduced — the native question. The greatest of all the problems with which South Africa has to deal is that of the relationship between the politically superior Europeans and the numerically superior native peoples, considered in all its bearings, political, economic, social. The question of the survival of European civilization on the sub-continent profoundly agitates men's minds, and fills many with deep apprehension. On questions of native policy it would seem obviously in the interests of the Europeans to maintain a united front. This election was the first at which such questions became a leading issue. During the last Parliament General Hertzog had introduced a series of Native Bills. Of these the one which came to assume most importance was his measure dealing with the franchise. In this matter the position in South Africa is highly anomalous. At the moment of Union there were wide differences between the franchise laws of the four colonies. In the Cape Colony the natives enjoyed the franchise; elsewhere they did not. The Act of Union enshrined the *status quo*, and provided that it could not be altered without a two-thirds majority of both Houses of Parliament sitting together. The main feature of General Hertzog's proposal was the progressive abolition of the Cape franchise, coupled with certain minor concessions to the natives in the other provinces. The South African Party opposed the measure, pressing for the consideration of the whole native problem in the non-party atmosphere of a National Convention, with a view to the maintenance of a united European front. The Government's proposal failed to obtain the requisite two-thirds majority, and General Hertzog proceeded to make it one of the chief issues at the elections. The result was, as might have been feared, that color prejudice was very vigorously exploited; this undoubtedly affected many votes.

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So much then for the result of the election, and its causes. On its probable effects I must needs be brief.

As concerns the relations between South Africa and the British Empire, the effect will be small; save in one respect, indeed, it might be described as negligible. Since the Imperial Conference of 1926 the Nationalists and South African party have been agreed on the question of imperial relationships. General Hertzog and his colleagues are satisfied with the position which prevails today; they will not seek any substantial change in that position. The difference between the two parties is now only in respect of the practical question of the extent of the coöperation between South Africa and Great Britain. The German Treaty recently concluded by the Hertzog Government represents a breach, small for the moment, but possibly of considerable future significance, in the principle of Imperial Preference. The policy which it represents has now received the endorsement of the majority of the electorate.

Of more importance is the possible effect of the elections on the harmony and peace of British and Dutch in South Africa. The South African Party which General Smuts leads has for some time now represented a genuine attempt at coöperation between the two races within a single party. It has comprehended British and Dutch elements in approximately equal numbers. As for the other parties, Labor has been almost exclusively British, the Nationalist Party almost exclusively Dutch. But in consequence of the Nationalist appeal to Dutch sentiment there has been a gradual attrition of the Dutch element in the South African Party, and as a result of the recent election, though the Dutch South African Party voters are still many in number, they represent for the most part a diffused minority, and there will be very few Dutch South African Party members in the new House. An exclusively Dutch-speaking Nationalist Party will be faced in the House by an almost exclusively English-speaking South African Party. Here lies a real danger that the work of the last twenty years will be undone and that we shall see a recrudescence of much of the old racial strife. Happily Dutch Nationalists and British Laborites continue to coöperate in the same government. But even so the danger is considerable.

But the most disturbing factor in the situation is the relationship existing between white and black. The united front of the Europeans has been broken. Color prejudice has been stirred as never before. And though the Prime Minister has still not got a two-thirds majority for his proposals, he will probably be encouraged by his recent success to proceed with them, and if they are again defeated he may decide to force another election exclusively on the native issue. Prejudices would in that event be roused still further, and one hesitates to contemplate the inevitable reaction on the native mind. For though General Hertzog's proposals in themselves have much to commend them, they have come to be enveloped in an atmosphere of color prejudice and ill-will, which can only have the effect of creating a sullen, discontented, hostile native population, and which would dispel all hope of a solution being found satisfactory either to white or to black. And since, in a world which is shrinking apace, men of diverse colors confront one another in many lands, such a state of affairs in South Africa could not be isolated but must have far-reaching effects.

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RUSSIA AND CONSTANTINOPLE: COUNT KOKOVTZOV'S EVIDENCE

By Michael T. Florinsky

RUSSIAN policy in the question of Constantinople and the Straits occupies an important place in the argument of those historians who are inclined to ascribe to the former Empire of the Tsars a rather heavy share of responsibility for the outbreak of the war.

Their thesis (the latest and probably the fullest version of which will be found in Professor Sidney B. Fay's "The Origins of the World War") runs along the following lines. The decline of Turkey stimulated the desire of Russia to fulfil her "historic mission" on the shores of the Bosphorus. Isvolsky's failures to secure the opening of the Dardanelles by diplomatic methods, and especially his defeat in 1909, convinced Isvolsky himself and his successor at the Russian Foreign Office, M. Sazonov, that this could be achieved only in connection with a general European war and that such a conflict was "inevitable." Sazonov was under the strong influence of the militarists and the Pan-Slavs. His purpose was (we are told by Professor Fay) more far-reaching than those of Isvolsky: while the latter was merely trying to open the Straits for Russian warships, Sazonov was planning to obtain possession of the Straits and control Constantinople. That is why he was so alarmed by the Liman von Sanders Mission. He urged strong measures against Germany, but failed, thanks to the concessions made by the Government of Berlin and to the restraining influence of Count Kokovtzov. The spring of 1914 was spent in strengthening the ties of the Entente. In July 1914, "with the restraining hand of Kokovtzov removed, Sazonov believed that this Entente solidarity was virtually assured, when the murder of the Archduke and the Austrian ultimatum caused the 'European complications' by means of which he calculated that Russia could finally achieve her 'historic mission.'" [1]

This simple historical scheme, which at first sight explains so well the motives and purpose of Russia's Balkan policy before the war and her attitude in July 1914, is not, perhaps, so firmly established as its proponents want us to believe. From certain documents published recently by the Soviet Government [2] it appears that the idea of a military operation against Constantinople and of the "historic mission" in general was not as popular among Russian military leaders (the Grand Duke Nicholas, General Alexeev, General Danilov) as is usually supposed, and that there were men of considerable weight at the Foreign Office, for instance, Prince Kudashev — representative of the Foreign Office at the Headquarters, and later on Ambassador to Peking — who openly maintained that Russia was not "morally and physically" ready for the annexation of the Straits. So the theory of militarist influence should not be accepted without adequate proof.

Let us now turn to another link in the argument which we are dissecting, the

[1] Fay, "The Origins of the World War," New York, 1928. Vol. I, pp. 542–545.

[2] Cf. the author's "A Page of Diplomatic History: Russian Military Leaders and the Problem of Constantinople during the War," in *Political Science Quarterly*, March 1929.

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attitude of Sazonov at the Conference of December 31, 1913 (January 13, 1914), which, the reader will remember, was called to discuss the situation created by the appointment of Liman von Sanders as commander of the Turkish troops in Constantinople, which appointment had become known a month or so earlier. Professor Fay traces the history of the negotiations and describes the Conference, at which Sazonov proposed certain measures of repression which could be brought against Turkey.[3] He takes advantage of this opportunity to draw a vivid picture of the supposed struggle between the "wise, peace-loving, and conciliatory" Count Kokovtzov and the "aggressive" Minister of Foreign Affairs. "This Conference," he says, "reveals sharply the contrast between Kokovtzov's moderate, conciliatory, and restraining influence on the one hand, and, on the other, the dangerous policy of military pressure urged by Sazonov and the military and naval officials. Kokovtzov, as Minister of Finance, looked at the affairs more from a business man's point of view than from that of a politician. . . . He was not blinded by the diplomatist's shibboleths about Pan-Slav interests, Russia's 'prestige,' and her 'historic mission.' . . . When he bluntly put the question, Is a war with Germany desirable? the other members of the Conference were forced to agree with him that it was not. It was therefore an incalculable misfortune for Russia and the world that, a few days after the Conference, M. Kokovtzov followed Count Witte into political retirement, and left the field free to M. Sazonov and the Russian Pan-Slavs and militarists." And Professor Fay dismisses the question with the following remark: "It is interesting to speculate on how the course of history might have been changed, if Kokovtzov had replaced Isvolsky at Paris, or if he had still been able as Premier to exert a restraining influence at St. Petersburg in July, 1914. With his sweet reasonableness, his fine character, and his friendly personal relations with the Kaiser and the Berlin authorities, he might have been able to prevent the over-hasty steps which helped cause the World War. It was Russia's misfortune that she discarded real statesmen like Count Witte and M. Kokovtzov in favor of prestige diplomats like Isvolsky and Sazonov."

The importance of these quotations will be made clear, I hope, from what follows. It seems that the statement made by Professor Fay as to the complete disagreement between Kokovtzov and Sazonov is based solely on the minutes of the conference. But the reader who approaches the question from a different point of view may find it difficult to discover in the minutes sufficient evidence to warrant Professor Fay's conclusions. Nor can they be accepted without challenge by any one who has a first-hand knowledge, however limited, of the members of the former Russian Government and of the general attitude of the government circles of St. Petersburg. I ventured, therefore, to write to Count Kokovtzov, who is now residing in Paris, and was fortunate enough to secure his consent for the publication of his reply. It is dated April 23, 1929, and runs as follows:

"I have read very carefully the passages in the book of Professor Fay marked by you, and I may tell you without hesitation, and giving you com-

[3] The full English text of the minutes of the Conference will be found in F. Stieve, "Isvolsky and the World War," London, 1926, pp. 219 sqq.

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plete freedom in using my statement at your discretion, that I do not share his conclusion that my retirement from the Government was used by S. D. Sazonov in order to enforce a more rigorous policy in the conduct of Russia's foreign affairs.

"The personal relationship between men who, by the force of circumstances, have to work together on the solution of political problems, especially at critical moments of their development, should be judged, generally speaking, not so much by an analysis of personal feelings and hypotheses which do not admit of an impartial investigation, as by an examination of external, concrete manifestations supported by well-established facts.

"Approaching the problem from this point of view, I may say that even now, fifteen years after my withdrawal from the active service of my country, I still feel perfectly sure that during the term of almost three years when I was the President of the Council of Ministers, no divergency of opinion on any question of importance arose between myself and the former Minister of Foreign Affairs, M. Sazonov. Under the laws of the former Russian Empire the jurisdiction of the President of the Council of Ministers in questions of international policy was very indefinite. The conduct of Russia's foreign policy was entirely in the hands of the Minister of Foreign Affairs. He took his orders directly from the Emperor who himself decided all vital questions. In spite of this, M. Sazonov never made the slightest attempt to prevent me from taking an active part in the direction of the most important and responsible problems of Russian foreign policy and on many occasions was the first to suggest our collaboration in the discussion of such problems. A number of questions were submitted for the approval of the Emperor after I had examined them jointly with the Minister of Foreign Affairs, and not unfrequently Sazonov himself asked my opinion without my having to bring the matter to his attention.

"The vast realm of Russian policy in the Balkans between September 1911 and December 1913 was invariably the subject of our concerted efforts and not a single decision dealing with these problems was reached without my opinion being given and brought to the attention of the Emperor. I cannot recollect a single instance of disagreement between Sazonov and myself and all the outbursts of public opinion of Russia, or rather of St. Petersburg, during the Balkan war of 1912, outbursts which manifested themselves in the well-known demonstrations of the Pan-Slavonic Society which claimed 'A cross on St. Sophia' and 'Scutari — for Montenegro,' were directed against myself as much as against Sazonov, because we were both taking decisive measures to pacify the Balkans and were endeavoring to preserve the peace of Europe through a timely mediation of the Great Powers.

"In particular, the negotiations on the question of the appointment of General Liman von Sanders as inspector of the Turkish Army and Commander of the Second Army Corps stationed at Constantinople, and the protest of Russia against this appointment, was entrusted to me by the Emperor, on the initiative of Sazonov, without my even knowing that this problem had arisen: in October 1913 I happened to be abroad and learned about the appointment of Liman von Sanders only in Berlin from a telegram of the Minister of the Imperial Household.

"I had to take upon myself all the burden and responsibility of asking ex-

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planations from the Emperor of Germany and I prepared the report for the Russian Emperor on the negotiations which took place between the Russian and the German Government. Sazonov merely added the statement that he was in complete agreement with my views, and all the negotiations in December 1913 and January 1914 which resulted in the winding up of this incident were conducted by the Ministry of Foreign Affairs as a matter of routine on the basis of the explanations I had obtained in Berlin.

"As to the report of the Emperor made by Sazonov in December 1913, and the conference (over which I presided) called to give effect to the decisions resulting from the report, and especially as to the personal attitude of Sazonov in the question of the Straits and Turkey, the point of view of Professor Fay seems hardly justified.

"During the whole of our collaboration in the Government, at first under the presidency of Stolypin and then later when I succeeded him, until the very day of my resignation, Sazonov never was in favor of an aggressive policy of Russia against Turkey. His fundamental point of view, that a weak Turkey is advantageous to Russia and that Russia should not hasten her collapse, is clearly stated in his report and recurs over and over again in his declarations. His point of view was open to only one criticism: in exposing his argument to the Emperor, he discussed the Turkish problem as something disparate and independent, outside the realm of general European politics where grave complications are apt to arise most unexpectedly and from innumerable causes. He believed, as it appears from his report, that the interests of Russia in the Turkish question might be safeguarded by reaching an agreement with France and England on terms favorable to Russia; and he was certainly remote from the idea of starting by a careless step a world-wide cataclysm.

"He was perfectly aware of our military unpreparedness and on this particular question we were in complete agreement. He was a constant witness of my arguments with the Minister of War over the question of the organization of national defense, arguments in which I was usually supported by the State Controller. I never kept secret from Sazonov the information which I possessed in addition to the information at the disposal of the Council of Ministers, and we invariably agreed that the opinions of the Minister of War were far too optimistic and were due to his complete ignorance of the actual conditions.

"Indeed, when Sazonov presented his report to the Emperor, it could not occur to him that his views would one day become public and would be submitted to the critical examination of outsiders; his sole purpose was to draw the attention of the Emperor to one of the routine problems of his department. At the same time he approached the question in a much more critical spirit than was usual at that time, that is, he expressed the desire that his conclusions should be submitted to the examination of the departments concerned. That is how the idea of the discussion of his report in a conference under my chairmanship came into being. The report itself was far from suggesting a solution of the Turkish problem by aggressive methods. It was limited to an outline of measures to be taken in case of the collapse of Turkey and laid emphasis upon the necessity of being ready for such an emergency by increasing the influence of Russia in the course of events which might occur without her consent or with-

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out her being in any way involved in bringing them into being. If Sazonov did not mention in his report that the measures he proposed (which were utterly inadequate and hardly practicable under the prevailing conditions) might become the source of a world crisis, it was simply because the whole of his report was in the nature of an academic discussion of future preparations, and was absolutely remote from the idea of directing Russia along the path of immediate and aggressive policy in the Turkish question.

"I may also add that, contrary to the conclusions of Professor Fay, Sazonov was not at that time, in January 1914, under the influence of our Ministry of War and of the Admiralty. He was not under the influence of the Ministry of War because, as I have pointed out, he was well aware of our unpreparedness; as for the Admiralty, it never showed the least aggressiveness in its policy and was conspicuous for its extreme caution. I am in an exceptionally good position to bear witness to this particular matter because until the very day of my retirement from the Government (January 30/February 12, 1914) I worked in close collaboration with Admiral Grigorovich on all questions of our naval defense and their influence on our general policy.

"But, as a matter of fact, the exposition of Professor Fay himself shows clearly enough that neither the Ministry of War nor the Admiralty displayed any aggressiveness during the discussion of the report of Sazonov by the Conference. They did not lend their support either to the idea of an expedition against Constantinople, or to the proposed occupation of Trebizond and Bayazid.

"As to my own part in the conference, I still retain, in spite of the fifteen years which have elapsed and the complete absence of any contemporary records at my disposal, a very vivid and detailed memory of the discussion.

"My part consisted not so much in trying to prove that the measures suggested by the Minister of Foreign Affairs were inacceptable in principle and at the same time impracticable, as in arguing the two following propositions: (1) the complete improbability that the point of view of the report would be accepted by France and especially by England; and (2) the close connection of this problem with the general problem of European peace and the danger of even raising it. I had an opportunity of explaining my views, which, as a matter of fact were already well-known to the members of the conference, with much more detail than appears from the written records which have been preserved. And if I succeeded in winning the consent of my colleagues with very little trouble and certainly with less effort than I had to use in a number of infinitely smaller problems, it is because no member of the conference, and certainly not Sazonov, was contemplating the starting of a world war, and none of them would even admit the possibility of any step on our part which would disturb the peace of the Balkans, only just reëstablished.

"One should not forget that by that time my personal influence, as head of the government, was not too strong. A short period of a mere four weeks intervened before I was to withdraw from the position of President of the Council of Ministers and Minister of Finance. And this was known to myself as well as to the members of the conference.

"I should like to add that it seems extremely doubtful that my resignation

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from the Government was received by Sazonov with a feeling of relief, as the removal of a limitation on his freedom of action; and I believe it still more doubtful that he was pleased by it and was even seeking it. I have excellent proofs, on the contrary, that he looked upon my retirement with considerable regret, and Sazonov himself repeatedly spoke in this sense to me and to our common friends.

"Professor Fay is right, however, in what he says about my proposed appointment as Ambassador to Paris, which never took place. I have reasons to believe that my appointment would have met with the approval of the French Government. The Emperor gave his consent to my nomination and spoke with me about it in very flattering terms. Sazonov did not show any hostility to my proposed appointment, but rather a lack of interest; and, perhaps taking into account the protests of Isvolsky against his transfer to another embassy, let the matter drop."

The statement of Count Kokovtzov is so lucid that it hardly needs any comment. I should like, however, to emphasize that it represents a complete refutation of Professor Fay's theory. To begin with, it appears that Professor Fay attaches too much importance to the declaration made to the Conference by the Minister of War, General Sukhomlinov, and the Chief of the General Staff, General Zhilinsky. After reporting their statements to the effect that Russia was ready for a war against Germany and Austria, Professor Fay remarks: "This categorical statement of the Russian militarists disposes of the argument that Russia did not want war in 1914 because they did not think her preparations were sufficient."[4] We are told, however, by Count Kokovtzov that he and Sazonov "were perfectly aware" of Russia's military unpreparedness, that he had at his disposal information other than that of the Council of Ministers, and that he and Sazonov "invariably agreed that the opinions of the Minister of War were far too optimistic and were due to his complete ignorance of the actual conditions." The statement of Count Kokovtzov is fully corroborated by what we know from other sources of the position of Sukhomlinov in the Government. His correspondence with his intimate friend, General Yanvushkevich, Chief of Staff of the Grand Duke Nicholas, covering the first year of the war, was published by the Soviet Government in 1922–1923.[5] It contains ample proof that the Minister of War did not enjoy the confidence of his colleagues. His influence was due exclusively to the friendship of the Emperor. And in spite of this and the powerful support of Rasputin, he was imprisoned and sent for trial long before the downfall of the Empire. Sazonov, fortunately, has put on record his opinion of his former colleague: "It was very difficult to make him [Sukhomlinov] work, but to get him to speak the truth was well-nigh impossible."[6] Is it reasonable to assume that Sukhomlinov's statement of Russia's preparedness for war presents sufficient ground for "disposing of the agrument that Russia did not want war" because her preparation was not sufficient? As for General Zhilinsky, he was merely a subordinate officer and he left the General Staff soon after the conference. In short, Professor Fay's evidence on this important point seems inadequate. And then, of course, the

[4] Fay, *op. cit.*, vol. I, p. 534–535.
[5] *Krasni Arkhiv* (*Red Archives*), Vols. I–III, Moscow-Petrograd, 1922–1923.
[6] Sazonov, "Fateful Years," New York, 1928, p. 286.

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foreign policy of Russia was in the hands of Sazonov and Kokovtzov rather than in those of Sukhomlinov.[7]

As to the nature of the relationship which existed between Count Kokovtzov and Sazonov, the statement of the former Prime Minister of Russia is so explicit that it seems hardly necessary to add anything to it. Count Kokovtzov makes it perfectly clear that he never had to use a "restraining hand" because there always existed the closest collaboration between himself and the Minister of Foreign Affairs; that in spite of the vagueness of the jurisdiction of the Prime Minister in questions of international policy, Sazonov always consulted him on all important matters and especially on Balkans affairs; that he does not recollect "a single instance of disagreement" between Sazonov and himself on any such question. It seems therefore that speculations as to what would have happened to the world had Kokovtzov remained at the head of the Russian Government or had he been appointed Ambassador to Paris are due to a misunderstanding.

It did not escape the attention of the reader, I am sure, that Count Kokovtzov's evidence, unlike that of most of the European statesmen who have written on the responsibility for the war, is not given in self-defense. An apology, however sincere and convincing, is always apt to create a presumption that the plea is not an exact and impartial exposition of the facts and that the author, sometimes unwittingly, puts the emphasis where it should not be. Count Kokovtzov is in the fortunate position of a man who has no excuse to make because no accusations have been brought against him. On the contrary, he is one of the very few modern European statesmen who have earned from an American historian the qualifications of "wise, peace-loving, conciliatory." The whole of this reputation he is willing to risk by declaring his solidarity (in the question of the Straits!) with the traditional villain of the revisionist school, Sazonov.[8] His evidence is not to be taken lightly.

But if we accept his evidence — and I do not think we have any choice — what is going to happen to the elaborate theory of Sazonov's aggressive and militaristic policy, which is the very foundation of the accusations brought against Russia? Shall we call Sazonov "wise, peace-loving and conciliatory?" Or shall we condemn Count Kokovtzov and class him, too, among the militarists and the Pan-Slavs? In that case, what about his "sweet reasonableness, his firm character," and so forth? I see no way out of the dilemma unless we frankly admit that the attitude of the members of the Russian Government in the question of the Straits is not correctly pictured by Professor Fay. It may be that he found in the minutes of the Conference merely what he expected to find there.[9] Unfortunately the question is an extremely important one — a vital link, indeed, in the argument that lays responsibility in Russia.

[7] Sukhomlinov, though undoubtedly one of the most discredited representatives of Imperial Russia, still is quoted with confidence in some quarters. See Alfred von Wegerer, "The Russian Mobilization of 1914," in *Political Science Quarterly*, June 1928, pp. 204 sqq.

[8] M. Sazonov died in December 1927. Count Kokovtzov cannot be suspected, therefore, of trying to do his former colleague a service.

[9] Incidently Count Kokovtzov's letter seems to justify a prediction made recently by M. Pierre Renouvin: "I believe that in trying to load a preponderance of responsibility upon the St. Petersburg government certain historians fall into an error which a more exact estimate of the facts will not fail to reveal." (FOREIGN AFFAIRS, April 1929, p. 397.)

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A NAVAL YARDSTICK

By H. L. Vickery

THE present problem of naval limitation hinges on the ability of the countries involved to arrive at a method of putting various types, ages and sizes of cruisers on a comparative basis — in common parlance, to evolve a "yardstick" for equitably evaluating their varying qualities. Tonnage is the basis on which ships have previously been compared. The plan now is to take into consideration the other characteristics of the cruisers. These characteristics may be put under the four following heads: *Speed. Age. Cruising Radius. Fighting Value.*

Let us assume an ideal type of cruiser and assign it the value of 500. This value should be made up of 100 points for perfect speed, 100 points for perfect age, 100 points for perfect cruising radius, 200 points for perfect fighting value. The next step is to determine the condition of each of these qualities.

1. *Speed.* The ideal cruiser may be assigned the highest probable speed that a cruiser is likely to attain. At present forty knots would appear a reasonable figure to take. The lowest practicable limit of useful speed for any work is approximately fifteen knots. If we say the speed value of a cruiser is zero at fifteen knots, then the range from fifteen to forty knots would represent 100 points on the value of our cruiser. Thus each knot below forty knots would equal 4 points of speed value, and a thirty-knot cruiser would have a value of 60, a twenty-five-knot cruiser a speed value of 40, etc.

2. *Age.* The practice established by the Washington Naval Reduction Conference and Treaty, which crystallized the opinions of the various Navy Departments, has been to fix the useful life of a warship at twenty years, considering it obsolete thereafter. Adopting this principle, we value a new cruiser at 100 and take off 5 points for each year after the cruiser is commissioned. Thus a cruiser eight years old has an age value of 60 points in the total.

3. *Cruising Radius.* We take cruising radius to mean the longest radius at the most economical speed. As recent design has raised this radius up to approximately 15,000 miles, we shall assume that the perfect cruiser has a cruising radius of 15,000 miles and that the cruising value of any cruiser varies from 100 as the cruising radius varies from 15,000. If less than 15,000 miles, it will have a value less than 100, if more it will have a point value of more than 100.

4. *Fighting Value.* This item does not take into consideration all of the fighting qualities because, of course, the conditions already noted influence fighting value. The fighting value here considered is the striking energy of the ship's main battery and her defensive strength as represented by her armor plates. The striking energy of the ship's battery varies with the range, size and the calibre of her guns, and the resistance to gunfire varies with the range and the thickness of her armor. Thus the fighting value of a ship should be established at the range at which the ship has just sufficient armor to protect it against a shell of the calibre which she is capable of firing. To illustrate — a ship mounts five 6″ guns and is protected by 3″ armor over her vitals. The armor will resist penetration of 6″ shells at 15,000 yards. Then 15,000 yards is the range at which we shall figure the fighting value. We compute the resolved normal en-

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ergy of five 6″ guns at 15,000 yards. We find the ideal value or highest striking energy that the present design of cruiser will be likely to give and assume this value for our perfect cruiser. We have allowed 200 points for fighting value in our total value of the perfect cruiser, so we now can figure the percentage of that number to allot the cruiser which is being studied.

The total of the four figures thus obtained is the yardstick value of our cruiser.

Applying this method to several types of cruisers now in existence, we find that the most powerful cruiser built or building will have a striking energy derived under the above conditions of approximately 25,000 to 26,000 foot tons. We can therefore assume a perfect fighting value of 30,000 foot tons for our perfect cruiser. A few examples will make the system clearer:

A modern cruiser of the PENSACOLA class having ten 8″ guns (the heaviest battery installed in any modern cruiser) gives the following results:

Commissioned 1929 — Age value	100
Speed 33 knots — Speed value	72
Cruising radius 13,000 miles — Cruising value	86.66
Ten 8″ guns — Fighting value	166.66
Total	425.32

A cruiser of the DETROIT class, built and commissioned in 1923, gives the following results:

Commissioned 1923 — Age value	70
Speed 34.8 knots — Speed value	69.72
Cruising radius, 10,000 miles — Cruising value	75
Twelve 6″ guns, 3″ armor — Fighting value	57
Total	271.72

Old cruisers of the CHARLESTON and ST. LOUIS class give these results:

Commissioned 1904 — Age value	0
Speed 21.5 knots — Speed value	26
Cruising radius, 4,000 miles — Cruising value	26
Twelve 6″ guns — Fighting value	50
Total	102

Applying the same procedure to a French cruiser of the SUFFERN class, mounting eight 8″ guns but without armor protection (in case there is no armor fitted, the normal striking energy should be computed at the range at which shell has the lowest striking velocity), we get the following results:

Commissioned 1927 — Age value	90
Speed 34.5 knots — Speed value	78
Cruising radius 5,000 miles — Cruising value	33
Eight 8″ guns — Fighting value	106
Total	307

With a British cruiser of the LONDON class (eight 8″ guns with 3″ armor protection) we get the following results:

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Commissioned 1929 — Age value	100
Speed 32 knots — Speed value	68
Cruising radius 10,400 miles — Cruising value	69.5
Eight 8″ guns — Fighting value	133
Total	370.5

The Geneva Conference of 1927 was stalemated because the fundamental conditions which determine the cruiser needs of the United States and Great Britain are radically different.

Great Britain's cruiser needs are best fulfilled by a multiplicity of units of normal cruising radius, mounting batteries more powerful than could be mounted on auxiliary cruisers converted from the ships of the merchant marine of the other maritime powers. These requirements are due to the great number of sea routes which it is necessary for Great Britain to keep open. Great Britain has numerous strategically located naval bases and a large merchant marine capable of rapid conversion into auxiliary cruisers.

The requirements of the United States are for large cruisers of long cruising radius, capable of mounting heavy batteries more powerful than could be mounted on any converted cruiser; but the United States does not require the multiplicity of units needed by Great Britain. These conditions arise out of the lack of American naval bases located in strategical points throughout the world, and the small number of ships in the country's merchant marine capable of conversion to auxiliary cruisers.

At Geneva it was found that when the tonnage of the type of cruiser based upon the needs of the United States was multiplied by the number of units required by the conditions facing Great Britain, the figure arrived at was so large that the result was not limitation of cruisers but expansion of the total cruiser tonnage. As a result the Geneva Conference failed.

The suggested yardstick would allow each country to arrive at a solution of its cruiser requirements, and yet the total battle effectiveness of the two cruiser navies would remain equal. By building cruisers mounting a smaller number of guns and with a shorter cruising radius, Great Britain would have more cruisers and a greater total cruiser tonnage, as it takes less tonnage per gun to mount ten 8″ guns in one ship than it does to mount ten 8″ guns in two ships. However, even if Great Britain should have a greater tonnage of cruisers, yet her power would be equaled by the larger American cruisers with larger batteries.

Another factor to be considered is that of cost. Ships are constructed, maintained and operated more cheaply in Great Britain than in the United States. But it would cost relatively more to build, maintain and operate two ships mounting five 8″ guns than to build, maintain and operate one ship mounting ten 8″ guns. Therefore if Great Britain chose to have a greater multiplicity of units, the cost of equal cruiser fleets, divided into such types as each country found necessary for her needs, would be more nearly equal than if the same amount of tonnage were maintained under the conditions prevailing.

The yardstick for cruiser measurement here proposed seems to offer a solution to the deadlock existing between the United States and Great Britain, allowing the cruiser fleet of each to be based on the requirements of that nation, yet still maintaining parity between the battle strength of the two navies.

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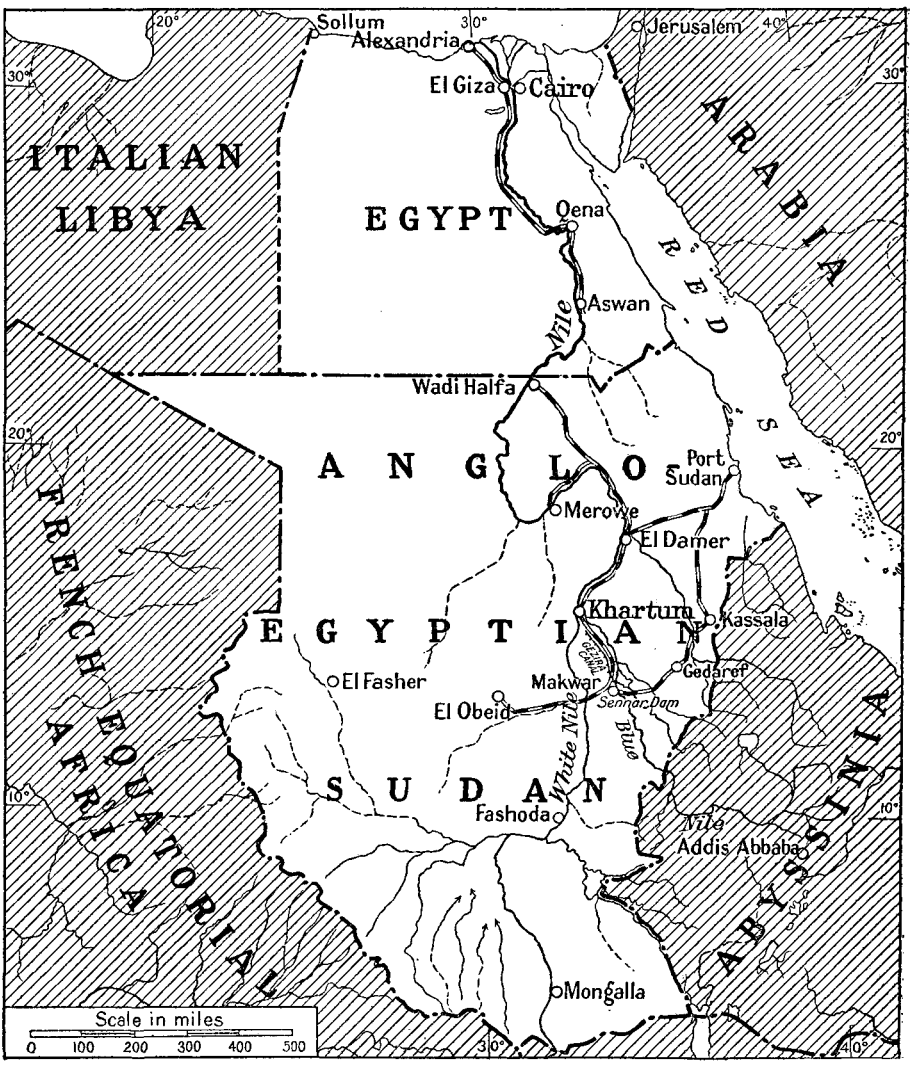
THE NILE WATERS AGREEMENT

By Pierre Crabitès

THE *Egyptian Gazette* of May 9, 1929, carried the text of an agreement on the long-debated question as to the use of the waters of the River Nile. The agreement, which recognizes on the one hand that the Sudan needs more



water for its development, and on the other hand that Egypt has historic rights in the Nile waters, took the shape of two letters; the first was addressed to Lord Lloyd, the British High Commissioner, by Muhammed Mahmoud Pasha,

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President of the Egyptian Council of Ministers, the second was the High Commissioner's reply.

Explaining his action, the Prime Minister commented on it as follows to the Cairo correspondent of the London *Times:* "I, as an Egyptian, believe that the agreement on the waters of the Nile fully and completely safeguards Egypt's rights. Had I had the slightest fear that this agreement would deprive Egypt of any right she has hitherto enjoyed, or prejudice any just claim she may make in future, I would not have signed it. I have consulted engineers of the highest standing, technically and otherwise, and I am convinced that the agreement embodies the Egyptian point of view in regard to the waters of the Nile."

But the *Balagh*, the mouthpiece of the *Wafd*, as the party now in opposition is called, took a very different view, and on May 18 published a lengthy criticism of the understanding. Parliament was not in session when the agreement was signed, so that one has no authoritative means of telling what the *fellah* thinks of the matter. A dispassionate analysis seems to show, however, that the accord, whether perfect or imperfect, makes a distinct step forward in the establishment of healthy Anglo-Egyptian relations and registers a net gain for Egypt.

I

The third paragraph of Muhammed Mahmoud Pasha's letter to Lord Lloyd reads as follows:

> The Egyptian Government agree that a settlement of these questions (irrigation questions) cannot be deferred until such time as it may be possible for the two Governments (Great Britain and Egypt) to come to an agreement on the status of the Sudan, but in concluding the present arrangements expressly reserve their full liberty on the occasion of any negotiations which may precede such an agreement.

It will be recalled that on February 28, 1922, Great Britain recognized Egypt as an independent sovereign state, with the reservation that certain matters should remain in "the discretion of His Majesty's Government until such time as it may be possible by free discussion and friendly accommodation on both sides to conclude agreements in regard thereto between His Majesty's Government and the Government of Egypt." The Sudan — the "Black Country," an immense area lying just south of Egypt, between the twenty-second and the fifth parallel — was the subject of the fourth of these reservations. This territory had been reconquered by Great Britain and Egypt jointly in the campaigns of 1896–8. It is ruled by a Condominium. The flags of England and Egypt fly over it, side by side. The Egyptians claim that the Sudan belongs to them and that it should be incorporated into their kingdom. Englishmen deny this. Since the war Downing Street has vacillated somewhat with regard to its Egyptian policy. It has, however, remained adamant and consistent upon one point: England will not abandon the Sudan. This intention has not been altered. Great Britain's willingness to adjust the Nile Waters question before settling the fate of the Sudan if anything emphasizes the fact.

It emphasizes it because it shows that London does not desire to take an unfair advantage of Cairo in dealing with the "reserved points," and more particularly the Sudan. Egypt may literally be described as "the river which is Egypt," meaning the land formed by the silt-laden annual flood of the Nile. It seldom rains in that fertile area. The Nile is its life. Deprive it of the waters

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of that stream and it would at once become a desert. Great Britain therefore felt that that "free discussion and friendly accommodation on both sides" referred to in the February 28, 1922, declaration required that the irrigation issue be settled before the "reserved points" were examined.

The letters exchanged on May 7, 1929, reserve to both England and Egypt "full liberty on the occasion of any negotiations which may precede" any agreement covering the Sudan and analogous issues. Egyptian statesmen, then, can reopen the Nile Waters question, and will be able to discuss it without the nemesis of starvation staring them in the face.

II

The second paragraph of the letter addressed by the Prime Minister of Egypt to the British Resident is couched in these terms:

> It is realized that the development of the Sudan requires a quantity of the Nile Water greater than that which has been so far utilized by the Sudan. As Your Excellency is aware, the Egyptian Government has always been anxious to encourage such development, and will therefore continue that policy and be willing to agree with His Majesty's Government upon such an increase of this quantity as does not infringe Egypt's natural and historical rights in the waters of the Nile and its requirements of agricultural extension, subject to satisfactory assurance as to the safeguarding of Egyptian interests as detailed in later paragraphs of this note.

It will be observed that Muhammed Mahmoud Pasha speaks of "Egypt's natural and historical rights in the waters of the Nile and its requirements of agricultural extension." Lord Lloyd's reply is attuned to the same note. It says, in part:

> In conclusion, I would remind Your Excellency that His Majesty's Government in the United Kingdom have already acknowledged the natural and historical rights of Egypt in the Waters of the Nile. I am to state that His Majesty's Government in the United Kingdom regard the safeguarding of those rights as a fundamental principle of British policy, and to convey to Your Excellency the most positive assurances that this principle and the detailed provisions of this agreement will be observed at all times and under any conditions that may arise.

Clearly, then, the essence of the agreement is the safeguarding of what is described as the "natural and historical rights of Egypt in the Waters of the Nile." That stream has, from the dawn of history, been Egypt's river. The recent accord tends to perpetuate this relationship. It contemplates that the Sudan shall be permitted to draw from the Nile such a quantity of water as will not impinge upon this traditional prerogative or infringe the "requirements of the agricultural extension" of Egypt.

The Egyptian Premier's letter fixes the amount of water which the Sudan may be permitted to withdraw. It also establishes how and where this quantity shall be registered. The *Wafd* criticism attacks these latter details. It argues that they defeat the spirit of the agreement. No attempt will here be made to pass upon the controversy thus presented. Its practical solution will largely depend upon the good faith with which the accord is carried into effect. In the light of present knowledge this good faith should be assumed.

III

In dealing with the larger problem which hinges upon the general terms of the agreement it is well to recall that:

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(a) the combined area of all the Nile lands of Egypt totals about 7,300,000 acres, of which 5,200,000 are now under cultivation;

(b) 200,000 acres in the lake zone of Lower Egypt should be reserved for pisciculture;

(c) Egypt has, therefore, 1,900,000 acres which still await water and the plow;

(d) from the southern boundary of Egypt northwards, the configuration of the Nile Valley is such that there is no area available for the construction of irrigation works capable of looking after these 1,900,000 arable but uncultivated acres; and

(e) the irrigation works necessary for bringing all of these 1,900,000 acres under the plow must remain unbuilt or be constructed within the Sudan.

The problem of the allocation of the waters of the Nile is not a new one. It is very complicated, and has been in a chronic state of effervescence for a number of years. In a note dated January 10, 1920, the Council of Ministers of the Egyptian Government approved the appointment of a Commission to report on the projects for the control of the Nile. The terms of reference were as follows:

> The Commission is requested to give to the Egyptian Government its opinion on the projects prepared by the Ministry of Public Works with a view to the further regulation of the Nile supply for the benefit of Egypt and the Sudan. In particular the Commission is requested:
>
> (1) to examine and report upon the physical data on which the projects are based.
>
> (2) to report upon the propriety of the manner in which, as a result of these projects, the increased supply of available water provided by them will be allocated at each stage of development between Egypt and the Sudan, and
>
> (3) to advise as to the apportionment of the costs of the proposed works and of this inquiry between Egypt and the Sudan.

The Commission consisted of a nominee of the Indian Government (Chairman), a nominee of Cambridge University and a nominee of the United States Government. The latter was H. T. Cory, of California, an engineer of world renown.

The body thus chosen submitted its report on August 25, 1920. It was unanimous except in regard to the question of the allocation of the increased supply of available water provided by the Nile projects, and the apportionment of the cost of the proposed works. The Chairman and the nominee of Cambridge ruled that:

> At present it is difficult to form any reliable estimate of the relative proportions required by Egypt and the Sudan of the water to be furnished by the construction of the other works[1] contemplated in 'Nile Control,' but it is recognized that when the time comes the Sudan shall share in the water derived from these sources. The Sudan Government will then be called upon to pay an equitable share of the cost of the new works proportionate to the volume of the water used.

The American nominee, H. T. Cory, preferred to come to closer grips with the issue. After analyzing the situation at some length, he established the "appropriated" supply of Egypt at 40,000 millions of cubic metres and that of the Sudan at 1,855. After having fixed this postulate he sought to

[1] By "other works" were meant works other than the Upper Blue Nile Dam which the report held to be necessary for the early requirements of the Sudan.

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allocate the "unappropriated" water which would be obtained from the projected new works. His study is well worth the attention of anyone interested in irrigation problems, whether viewed from an engineering, legislative or a judicial angle. In concluding his review, Mr. Cory formulated the principles that the present use of Nile water by Egypt and the Sudan should be adopted as vested rights to the natural flow; and that the excess water over and above such vested rights should be divided equally between Egypt and the Sudan.

IV

It will be seen from the foregoing excerpts that neither the British experts nor their American colleague said anything about "Egypt's natural and historical rights in the Waters of the Nile and its requirements of agricultural extension." The majority report left the entire problem for the passage of time to solve. The minority finding refrained from admitting that Egypt had a vested right to the "unappropriated" waters of that stream. Notwithstanding the tenor of these recommendations, the British Government has refused to allow anything to be done which might hamper the redemption of all of these 1,900,000 arable but uncultivated acres.

Speaking in the House of Commons on July 10, 1924, Mr. Ramsay MacDonald, then Prime Minister, went so far as to say that: "The Egyptian cultivator may rest perfectly content that, as a result of the agreement which we are prepared to make, the independence of the Sudan will not mean that he is going to enjoy a single pint of water less than if he had it and was himself working it." The letters exchanged on May 7, 1929, must be interpreted in the sense of this pronouncement. They assuredly register a net gain for Egypt. They do so in the teeth of an impartial neutral expert opinion which did not declare that Egypt had any warrant in law or in fact, in equity or according to custom, to claim as its own all of the "unappropriated" water which might be necessary to give fertility to its unredeemed 1,900,000 acres.

It does not follow as a corollary from this correspondence that what is known as the "Gezira" development of the Sudan will be arrested. What the agreement emphasizes is that the Black Country must subordinate its requirements to those of Egypt. The latter land is given a vested right to satisfy its needs out of the "unappropriated" waters of the Nile. It is believed that there will be a surplus which will enable the Gezira Plantations Company to carry through their plans. But the risk is theirs.

It is, therefore, clear that while the world at large will applaud the statesmanship which has assured to the Egyptian *fellah* that the Nile will remain primarily his river and that that stream will be primarily dedicated to making his fields productive, the settlement in no sense furnishes a precedent for the Colorado or other problems. Political considerations have forced the Sudan to subordinate its interests to those of Egypt. The great legal problem which means so much to irrigation experts all over the Western World has not been brought any nearer settlement by the Nile Waters agreement. But Egypt's difficulties have been surmounted, at least for the moment. And that, not the creation of a world precedent, was the task which confronted London and Cairo.

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TRADE RIVALRIES IN ARGENTINA

By H. Hallam Hipwell

THE supreme importance of European trade with the South American continent in the era prior to 1914 is nowhere better exemplified than in the economic and financial history of the Argentine Republic. Based on the stony pillars of racial kinship and cumulative financial investment, the relations between Argentina and the Old World seemed immovable. Thus when the Centennial Exhibition, held in Buenos Aires in 1910 as an epitome of the progress of the Republic, demonstrated the advance that had been made, it also served to bring into high relief the strength, variety, and intrinsic importance of Argentina's European connections.

To quote statistics of that epoch would but stress the financial and commercial side of the relationship; it would not, obviously, illustrate the relative importance of the intellectual and ethnic connections, or the means whereby they were maintained and fostered. These important factors of contact were not overlooked. The French and German medical schools, and to a lesser extent those of Italy and Spain, sent professors to lecture in Buenos Aires on their several specialties, while their commercial chemists saw to it that the latest serums and therapeutic material in general kept abreast of the professional propaganda when shipments to Argentina were concerned. French art and literature served, and still serve, to aid French exports in numerous ways. Italian and Spanish contributions to the intellectual life of Argentina were chiefly associated with the theatre, drama, comedy, and opera; leading companies made regular visits to Argentina and year by year earned important sums which were equivalent to a considerable addition to Italian and Spanish national exports. Indeed Germany, feeling that opportunities were being lost, also started a concerted effort to lead Argentine taste to a due appreciation of her drama and her music. Thus, between 1910 and the outbreak of war, full companies sang Wagner in Buenos Aires, German light comedy and operetta were presented with considerable success, and the first regular symphonic concerts were staged under German direction. Part and parcel though this may have been of the purely artistic evolution of Argentina, it nevertheless had a close affinity with the course of trade.

No reference is made to either Britain or the United States in this connection, for the good and sufficient reason that the former was wholly wrapped up in her commercial and financial undertakings, while the latter had but an insignificant share of Argentine business and was even less in touch with Argentina's spiritual and intellectual values than was Britain.

Argentina grew fast during the decade prior to the outbreak of war, nor was that growth confined to material progress. Intellectual activity among the younger men and women was marked, and with this stirring of the mind there set in an almost universal thirst for novelty, coupled with a spirit of inquiry wholly foreign to the customs, and even to the ideals, of the older generation. This is a point to be kept carefully in mind if one would fathom the basic causes which have brought about the present altered conditions in Argentine life, as reflected in its commercial affairs. For the awakening is not of

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today; it had its genesis in the period between 1905 and 1914. And although actual development was perforce checked until 1920 — for the postwar demands of Europe had first to be met, both from its own and from American sources of supply — consciously or unconsciously Argentina was already preparing for a change. The old *criollo* philosophy of a race whose wealth derived principally from flocks and herds has been rapidly displaced by a more modern appreciation of life and opportunity as understood in the western sense. Romantically regrettable maybe; but one cannot shut one's eyes to the fact that the pause occasioned by the European war has enabled Argentina at one and the same time to increase her wealth and to prepare a settled policy of internal expansion which is now being carried into effect.

How far Argentina's suppliers in Europe have realized the magnitude of the change in the Argentine outlook is not easy to guess. That the majority of the countries having connections with the Republic do now grasp the essentials of the new position is doubtless true. But they have been over-long in admitting that the somewhat shiftless, easy-going, well-to-do customer of pre-war days, conservative in his tastes and preferring to give a "repeat" order rather than go to the trouble of examining a fresh proposition, has disappeared from the map. So ingrained was this belief in the Argentine buyer's inevitable acceptance of whatever goods were offered to him, that the comparatively small amount of export trade which the United States transacted with Argentina prior to 1924 bore the stamp of European methods; this, incidentally, explains many of the difficulties and losses experienced by American traders, even under apparently favorable war-time conditions. It is not generally realized, even in American circles, that the United States paid her footing pretty smartly when first she sought to enter the Argentine market on a large scale. Many lines of goods that found general favor at home either fell flat in Buenos Aires or proved so much in need of special adaptation to local requirements as to make their sale too slow a proposition to be sought after by American export houses. Nevertheless, with European exports to South America reduced to a trickle of goods from a few neutral countries, Argentina took whatever the United States chose to send, and, if not exactly thankful, made the best of a bad job, consoling herself with the thought that when once the war was over trade would return to its old channels.

Meanwhile, however, a succession of Budget deficits, arising out of a sharp reduction in the import dues which provide 75 percent of Argentina's national revenue, led to the gradual piling up of an unusually heavy floating debt. Borrowing abroad was not possible, at least as far as could then be seen; and yet there were sundry public works in hand that had to be carried on, chief among them being important extensions in the State Railways. These lines, though unlikely to earn interest on their capital for a considerable period, will eventually be of primary importance to the Republic. They have already done much to open up northern Argentina; and the southern and western sections, tapping the valuable territories that lie about the foothills of the Andine chain, will render profitable the establishment of sheep and cattle ranches in those areas, at the same time opening up the country for colonization. Materials, locomotives and rolling stock were wanted, and urgently. But the State Railway Department was heavily in debt; worse still, some doubt

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was entertained as to the position of its creditors vis-à-vis the national government, much of the outlay incurred to date not having had due Congressional sanction. To go into detail would call for an exposition of the Argentine political situation when President Irigoyen first assumed office in 1916, a subject scarcely germane to the purpose of this article. Suffice it to say that it was at this critical juncture that American financial and commercial interests joined forces to try and find the means of supplying the needed locomotives and cars. It was a sound commercial proposition, colored neither by political nor philanthropic considerations. The State Railways obtained their rolling stock on fair terms, the American manufacturers were able to discount their bills, and the national government of Argentina officially stood behind the whole transaction, principal and interest, on the understanding that extension of the date of payment would be granted if necessary. It was an eminently common-sense piece of business, and it was transacted on terms literally impossible for any European manufacturers (who, moreover, were grumbling bitterly at the State Railway Department for its delay in settling old debts, and declaring that it was but one step removed from bankruptcy). The debts already mentioned, and the Budget deficits, had combined to give reasonable excuse to European exporters and financiers for their inability to supply Argentina with those capital funds of which she must stand in need for many a year to come. No funds for foreign investment were to be had in the European markets during the early years of the reconstruction period; but that also was a fallacious conception in Europe of what was necessary to stimulate the post-war export trade. Methods varied, but one and all erred, as far as Argentina was concerned, in failing to realize the change in the Argentine outlook. Then, too, there was a general belief that inasmuch as the Republic had made great profits during the war years her people could and would give spot cash for their purchases. Coincidently, Italy, France, Germany and Britain became obsessed with the notion that Argentina offered an ideal market for profitably disposing of old war material, whence sprang the invasion of a new style of drummer, usually with a military title before his name and a string of letters after it.

Interesting stories could be told of these "business" efforts, conducted for the most part on very unbusinesslike lines, but the main thing to be understood is that, by and large, they "cut no ice" in present-day Argentina. Britain and Germany soon realized this fact; the Latin countries, however, kept on feeling that old wares could readily be exchanged for fresh Argentine produce if only the sympathetic strings of racial affinity were sufficiently loudly thrummed. True, certain orders for armaments went to France and to Italy, but meanwhile Argentina was taking the bulk of her general import trade elsewhere. Collectively considered, her chief desire was for plant and material fitted to her immediate needs. Price was important, though not perhaps as important as some trade rivals sought to make it appear. The chief consideration was the immediate adaptability of materials to Argentine needs and conditions. Agriculture and transport in the first place, administrative machinery and facilities for communication in the second, provided an almost unlimited field for those in a position to supply exactly what was sought; and here the United States (and in a much lesser degree Canada) stood alone.

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The universal call throughout the Republic for improved transport is responsible for the fact that Argentina is today America's best customer for both automobiles and motor trucks. One need not go into detail, since the story has been told so often, but it is literally true that mark after mark of European passenger car has been launched in Argentina only to prove a miserable failure. Yet in 1913, when the automobile was but a rich man's toy, to be used only in Buenos Aires and a few other centres having paved thoroughfares, France supplied 36.8 percent of the $5,000,000 worth of cars then imported, the United States coming second with 19.3 percent and Germany third with 16.3 percent. The United Kingdom was classed with "Other Countries," no detailed percentage being available. For 1927, United States exports of all classes of automotive vehicles to Argentina totalled 58,745 units; Italy took second place with 927; France was third with 796; and Britain fourth with 758, chiefly trucks. And with the extension of Argentina's roads — there is today, exclusive of city streets, a mile of road per 61 square miles of area — no reason exists why imports of automobiles should not double within fifteen years. Less spectacular, but equally valuable, has been the growth in Argentina's purchases of American agricultural plant — purchases arising from the fact that nothing quite as adaptable and as efficient can be had elsewhere, save for the products of one Canadian firm. Europe simply does not supply the goods needed; and efforts now being made there to turn out a power-driven reaper-binder-thresher adapted to the Argentine market have not been successful. The following portrays the magnitude of this business:

	Argentine Imports in 1926	*Bought from U. S. A.*
Ploughs	53,076 units	49,159
Headers	4,266 "	3,538
Harvester threshers	5,033 "	4,021
Agricultural tractors	2,676 "	2,657
Spare parts, agricultural machinery	7,365,853 kilos	5,704,114

In all these items the United States already held the lead in 1913, but the percentage was much smaller. Due to altered statistical systems, direct comparison is difficult; but, roughly speaking, 60 percent was supplied by the United States, 30 percent came from Britain, and the balance from Germany. Somewhat similar is the situation as regards trade in office furniture, typewriters, sewing machines, and electrically driven household appliances, including refrigerators and radio sets. In the older lines America has increased her percentage of sales chiefly owing to the up-to-date improvements to be found in her goods, *e. g.* office furniture, typewriters, and sewing machines. As concerns later inventions, films included, she has practically had the field to herself and has made the most of her opportunities. Thus for 1927 the estimated actual value of Argentine imports from the United States stands first, with $217,816,076 Argentine gold dollars; Britain comes second with $166,459,525; and Germany is third with $96,988,994. In the year 1913 Britain held first place with $130,886,587; Germany was second with $71,311,628; and the United States was third with $62,032,853. Roughly speaking, France, Italy, Belgium, and Spain are today more or less where they were in trade with Argentina when the war began, and all European countries, save Britain, suffer to some extent from the fact that their consumption of Argentine prod-

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ucts is relatively small, besides being hampered in certain instances by tariff restrictions. There have been efforts to make capital out of this tariff question, and the slogan "buy from those who buy from us," was for a short time regarded as likely to be of benefit to British trade with Argentina. But the best Argentine financial and commercial opinion has recognized the fallacy which this slogan has in common with slogans in general. Argentina has no marked preferences for individual nationalities; she certainly has decidedly marked preferences when it comes to buying the goods she needs.

Past custom and a long record of fair dealing stand English houses in good stead, and when a deal with a British firm can be arranged on terms that appear advantageous to Argentina it would perhaps be correct to talk of preference. It is, however, doubtful whether this is of more than sentimental importance; it most certainly has not stood in the way of wholesale acceptance of American financial proposals, or, on the other hand, of the absorption by far-sighted American capitalists of sundry interests once regarded by Argentines as exclusively British, alike in their financial constitution and their general administration. Thanks chiefly to the large Germano-Argentine section of the commercial community, coupled with the active efforts made by German manufacturers and merchant houses to re-knit trade connections broken during the war, the commercial reputation of Germany today stands high in Argentina, though it is generally felt, and said, that Germany, wishful though she may be to deliver the goods, cannot trade as she did in 1914.

America both can and does deliver the goods in all those lines which she has by now made so peculiarly her own; furthermore, she helps Argentina to employ such goods to her own profit. The valuable if indirect propaganda that moving picture films exercise is too well known to call for detailed reference here. Even more important is the direct selling force that develops from the various systems of "service," introduced and gradually adapted to local needs by American importers in Argentina. Automobile and agricultural spare parts and skilled mechanical aid are at the end of a wire throughout the Republic. Whether one may couple with such "service" the widespread introduction of instalment selling, and of subsidiary finance houses devoted to mobilizing the paper thus created, is as yet rather a moot point. It must be tested by adversity before a verdict can be hazarded; as it stands, it has widened the market for American goods to a considerable degree.

A conditional answer must also be given to the question that so obviously arises: Will American trade be able to retain its pride of place in the Argentine market? Much hangs upon the extent to which Europe achieves mental as well as physical rehabilitation. And here one inclines to the view expressed by Professor Clive Day in FOREIGN AFFAIRS [1] two years ago, namely that Europe in general appears to be too old to win back the ground lost. His conclusion has a direct bearing on the subject we are discussing, since Argentina's youthful vigor finds a national complement in the energy and invention of a great nation of somewhat the same age — a nation, moreover, which broadly speaking is politically similar, and which is strengthened for commercial competition by the fact that it has met and solved successfully many of the selfsame difficulties with which Argentina herself is striving today.

[1] "War Shocks to European Commerce," FOREIGN AFFAIRS, July 1927.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

NOTE—FOREIGN AFFAIRS will supply its readers, *post free*, with any book published in the United States, at the publisher's regular list price. Send orders, accompanied by check or money order, to Book Service, FOREIGN AFFAIRS, 25 West 43rd Street, New York City.

General International Relations

CHAPTERS ON CURRENT INTERNATIONAL LAW AND THE LEAGUE OF NATIONS. By Sir JOHN F. WILLIAMS. New York: Longmans, 1929, 514 pp.

An authoritative discussion by the British legal representative on the Reparation Commission.

THE INTERNATIONAL COMMUNITY AND THE RIGHT OF WAR. By LUIGI STURZO. London: Allen and Unwin, 1929, 294 pp. 10/.

In this book Don Sturzo, the famous Italian Populist leader, now living in exile, shows himself quite as vigorous in the field of thought as he formerly showed himself in the field of action. He is not concerned here with the possible ways and means of organizing the world for peace, or yet with the problem of practical disarmament, but rather with the philosophical question whether war is a necessity. The viewpoint is pronouncedly Christian and Catholic, and the argument is presented with the dialectical power of the schoolman. Don Sturzo finds no difficulty in disposing of the usual arguments advanced in favor of war as an instrument of justice, as a necessary attribute of state power, or as a purely biological factor, and comes to the conclusion that the idea of the necessity of war is a pure illusion. It is inextricably bound up with the form of social organization, and therefore there can be nothing inevitable or eternal about it. As the social system changes and the tendency towards international organization replaces the purely national system, the ideas of moral constraint will inevitably prevail over the ideas of force.

WAR IN WORLD HISTORY. By ANDREW R. COWAN. New York: Longmans, 1929. 126 pp. $2.40.

The author sets forth the essentially destructive influence of war on the progress of civilization, but sees little prospect of man's rising above his fundamental malignity.

WAR! BEHIND THE SMOKE SCREEN. By WILLIAM C. ALLEN. Philadelphia: Winston, 1929, 199 pp. $1.50.

War stripped of its glamor.

NINE YEARS OF THE LEAGUE OF NATIONS. By DENYS P. MYERS. Boston: World Peace Foundation, 1929, 220 pp. $2.00.

An excellent brief survey of the work of the League from 1920 to 1928, by an exceptionally well-informed and careful writer.

VOELKERBUND UND STAATSSOUVERANITÄT. By WILHELM F. SCHUBERT. Berlin: Heymanns, 1929, 128 pp.

A very capable and thoroughly documented study of the theory of sovereignty and its incompatibility with modern ideas of international organization.

LES COOPÉRATIONS INTERÉTATISTES. By E. MINOST. Paris: Sirey, 1929, 235 pp. Fr. 30.

The author traces the growing interdependence of politics and economics, and reviews such early expressions of the phenomenon as the Suez Canal Company, the Bank of Morocco and the Turkish Petroleum Company.

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LE PACTE DE PARIS. By Cecile Balbareu. Paris: Gamber, 1929, 120 pp. Fr. 15.
A careful analysis of the agreement.

RÜSTUNG UND ABRÜSTUNG. Edited by Karl L. von Oertzen. Berlin: Mittler, 1929, 303 pp. M. 16.
A coöperative survey, in which an account of the development of the idea of disarmament since 1919 is followed by expert reports on the armaments of thirty-three nations.

THE MANDATES SYSTEM IN RELATION TO AFRICA AND THE PACIFIC ISLANDS. By Elizabeth van Maaren-Helmer. London: King, 1929, 332 pp. 15/.
Primarily a study of the constitutional development of the mandates system and of the nature of the control of native populations under the system.

GRUNDLAGEN UND ENTWICKLUNG DES INTERNATIONALEN MINDERHEITENRECHTES. By Carl G. Bruns. Berlin: Deutsche Gesellschaft für Nationalitätenrecht, 1929, 48 pp. M. 2.
A concise legal study of the minorities clauses of the treaties, by the expert adviser of the German minorities organizations.

LA QUESTION DES MINORITÉS À LA CONFÉRENCE DE LA PAIX. By Nathan Feinberg. Paris: Rousseau, 1929, 167 pp. Fr. 30.
A Palestine judge reveals the action of Jewish interests at the Peace Conference in behalf of oppressed minorities.

DANGER ZONES OF EUROPE. By John S. Stephens. London: Hogarth, 1929, 86 pp. 2/.
The third Merttens lecture. A lucid exposition of the rise of the idea of nationality and its effects, followed by a review of the minorities questions of present-day Europe.

NATIONALITY, ITS NATURE AND PROBLEMS. By Bernard Joseph. London: Allen and Unwin, 1929, 380 pp. 10/6.
A rather academic discussion of the various attributes of nationality and its effects on the state and on international relations.

SURVEY OF INTERNATIONAL AFFAIRS. 1927. By Arnold J. Toynbee. New York: Oxford University Press, 1929, 614 pp. $8.50.
This latest volume in a series which is indispensable to every student of international relations is quite up to the standard of its predecessors, and its value is only enhanced by the fact that the volumes are becoming more up-to-date. The readers of Foreign Affairs need not be told again of the care and impartiality with which these volumes are prepared. Suffice it to call attention to some of the more important subjects dealt with in this particular volume. An admirable account of the abortive Naval Conference at Geneva is followed by a discussion of the questions of German disarmament and the occupied territories. The treatment of Italian foreign policy, both with respect to France and to the Balkans, is very full and illuminating, while the section dealing with the relations of the Soviet Union from 1925 to 1927 is one of the most instructive in the volume. Part III, concerned with China, develops the theme of Bolshevik influence and the dissensions in the Kuomintang, and Part IV (The American Continent) has excellent sections on the problem of foreign interests in Mexico and the crisis in the relations between the Mexican Government and the Catholic Church. The most important agreements and documents are printed in the appendices, and the volume closes with several maps bearing upon the Far Eastern question.

RESEARCH IN INTERNATIONAL LAW. DRAFT CONVENTIONS ON NATIONALITY, RESPONSIBILITY OF STATES, TERRITORIAL WATERS. Cambridge: Harvard Law School, 1929, 399 pp.
These draft conventions were drawn up in anticipation of the First Conference on the Codification of International Law, to be held at the Hague in 1930.

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International Relations of the United States

SURVEY OF AMERICAN FOREIGN RELATIONS, 1929. Edited by Charles P. Howland. Published for the Council on Foreign Relations. New Haven: Yale University Press, 1929. $5.00.

With the publication of this second volume the Survey of American Foreign Relations gets into its stride as a conspectus of the ever widening foreign affairs of the United States. Last year the volume was more or less introductory in nature, dealing with factors, forces, and traditions in American foreign policy and with the new relations growing out of the World War. In view of the Caribbean area's special importance to the United States it not unnaturally has been chosen as the leading subject of the second volume. Relations with each Caribbean republic are treated in detail, and the threads of American policy, both political and economic, are then gathered together for discussion in general chapters. Other subjects examined are the Kellogg Pact, the World Court, and Immigration, the last named including a review of the National Origins provisions and its effects. The volume, edited by the Director of Research of the Council on Foreign Relations, with the collaboration of a number of special authorities, is one of the best products to date of American scholarship in the realm of foreign policy.

AMERIKA UND WIR. AMERIKANISCH-DEUTSCHES IDEENBÜNDNIS. By Ernst Jäckh. Stuttgart: Deutsche Verlagsanstalt, 1929, 139 pp. M. 2.75.

Six radio talks setting forth the continuity of American foreign policy, by the director of the *Hochschule für Politik*.

UNCLE SHAM. By Kanhaya Lal Gauba. Lahore: The Times Publishing Company, 1929, 213 pp. 6/.

The American reader will hope that Miss Mayo's picture of conditions in India is more accurate than this presentation of the American scene, written in reply to it. A biographical note states that the author was educated at Cambridge, England, and graduated with honors. He was chairman of the All-India Trade Union Congress and president of the Punjab Journalists' Association in 1923, and is a director of various Indian companies. His book, then, must be taken seriously, though it is wretchedly printed. Various chapters deal with the working of democracy in the United States, and with an account of the treatment meted out to the negro, but by far the larger part is given over to a consideration of the sex problem. The writer, relying upon the books of Judge Lindsey, Edith Hooker and Stephen Graham, and upon H. L. Menken's (sic) *Americana*, has no difficulty whatsoever in drawing a lurid, grotesque and extremely uncomplimentary picture of our civilization. In other words, the book shows once again that with a few quotations and the right spirit one can prove almost anything.

THE INTERNATIONAL FINANCIAL POSITION OF THE UNITED STATES. New York: National Industrial Conference Board, 1929, 276 pp. $5.00.

This elaborate statistical report amounts to a survey and analysis of the financial aspect of our international position. The volume is concerned with a study of the remarkable change which has taken place in the past twenty years, and has transformed the United States from a debtor to a great creditor nation. The reaction of this change upon our trade relations and upon our domestic banking conditions is set forth in great detail and with a wealth of factual material. The writers of the report do not anticipate an equally rapid expansion of foreign investments in the future, but believe that our position as a predominant creditor nation must be reckoned with. On the whole the volume is valuable and should interest all students of international relations.

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FRONTIERS OF TRADE. By Julius Klein. New York: Century, 1929, 328 pp. $2.50.

The Assistant Secretary of Commerce gives the salient facts about American foreign trade in understandable form.

AMERIKAS SCHUTZZOLLPOLITIK UND EUROPA. By Wilhelm Grotkopp. Berlin: Rothschild, 1929, 318 pp. M. 18.

A very timely book, in which the author, after setting forth the essentials of the American tariff, proceeds to discuss the deleterious effects of that system upon the world economic system.

LA LUCHA CONTRA EL IMPERIALISMO. By Alberto Ghiraldo. Madrid: Edition Historia Neuva, 1929, 214 pp. Pes. 5.

Another volume in the growing number of foreign attacks upon the imperialistic policies of the United States.

THE GOVERNANCE OF HAWAII. By Robert M. C. Littler. Stanford: Stanford University Press, 1929, 298 pp. $2.75.

A careful study of an unusually successful system of government.

CHINA AND JAPAN IN OUR UNIVERSITY CURRICULA. Edited by Edward C. Carter. New York: American Council, Institute of Pacific Relations, 1929, 183 pp.

An exhaustive survey of Far Eastern studies in American institutions.

Western Europe

IL DRAMMA DI SERAIEVO. By L. Magrini. Milan: Athena, 1929, 250 pp. L. 10.

The latest study of the Serajevo crime, purporting to be based on new documents.

DAS AUSLAND URTEILT. Edited by Alfred von Wegerer. Berlin: Stilke, 1929, 156 pp. M. 4.50.

A collection of quotations from statesmen and writers of many nations, directed against the war guilt clause of the Treaty of Versailles.

POINCARÉ UND DER KRIEGSAUSBRUCH 1914. By August Bach. Stuttgart: Deutsche Verlagsanstalt, 1929, 112 pp. M. 3.50.

A scholarly presentation of the case against M. Poincaré in all its details.

LE COMMANDEMENT UNIQUE. COMMENT IL FUT REALISÉ. By General Mordacq. Paris: Tallandier, 1929, 176 pp. Fr. 6.

A valuable account of the negotiations which led to the establishment of the supreme command, written by the chief of Clemenceau's military cabinet.

HISTORY OF THE GREAT WAR. MILITARY OPERATIONS. GALLIPOLI. By Brigadier-General C. F. Aspinall-Oglander. London: Heinemann, 1929, 380 pp. 15/.

The first volume of the official history dealing with the Gallipoli campaign and covering the story to May 1915. The book should be read in connection with the corresponding volume of the official naval history, and may be taken as the first impartial and accurate account of how the expedition originated and of its first operations. Fully half of the volume is devoted to a review of the political and military situation out of which the expedition arose, and throughout the inherent sources of weakness and eventual failure are brought out clearly. The story of the half-hearted support given the project, the inadequate coöperation between the various arms, and the serious errors in the execution of the landings, leaves little room for doubt that the débâcle was due rather to the mistakes of the attackers than to the resistance of the attacked.

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LE DRAME DE JUTLAND. By Edmond Delage. Paris: Grasset, 1929, Fr. 12.

This is perhaps the best single book on the Jutland drama. The author is the naval editor of the *Temps*, professor at the *École de Guerre Navale* and chief of the historical section of the Ministry of Marine. He has all available information at his command, and writes in an easily understandable, not to say dramatic style. His clarity of presentation is of particular value in dealing with so confused and disputed a subject. There is no doubt in this impartial critic's mind that the English won the battle, but he does not attempt to pass judgment either on Jellicoe or Beatty, and contents himself with a review of the facts and a discussion of the supreme importance of the engagement.

SO WAR ES IN VERSAILLES. By Victor Schiff. Berlin: Dietz, 1929, 168 pp. M. 4.

The press representative with the German delegation tells of the negotiations at Versailles, and there are chapters by Landsberg dealing with the German cabinet meeting before the signature and by Müller on the actual signing of the treaty.

DIE SCHULDENLAST DES WELTKRIEGES. By Hans Sveistrup. Berlin: Struppe and Winckler, 1929, 277 pp. M. 30.

This invaluable bibliographic work lists over five thousand German and foreign titles dealing with inter-allied debts, reparations and the Dawes Plan.

WIE DIE REPARATIONSFORDERUNGEN BEGRÜNDET WURDEN. By Eugen Würzburger. Leipzig: Akademische Verlagsgesellschaft, 1929, 37 pp. M. 2.50.

A brief but very telling indictment of the methods used in determining the allied claims against Germany.

TRANSFERPROBLEM UND TRANSFERTHEORIE. By Harald Fick. Jena: Fischer, 1929, 66 pp. M. 3.

The author examines the various theories and concludes that the excess of exports over imports is the only sound basis for transfer.

ZUR FRAGE EINER EUROPÄISCHEN ZOLLUNION. By Hans H. Hohlfeld. Leipzig: Ricker, 1929, 67 pp. M. 1.80.

A keen analysis of the obstacles in the way of a European customs union.

HISTOIRE DE LA NATION FRANÇAISE. Edited by Gabriel Hanotaux. Volume IX: HISTOIRE DIPLOMATIQUE, 1515–1928. By René Pinon. Paris: Plon, 1929.

This is a well-known series, edited by a former French foreign minister who enjoys an international reputation as an historian. The author of this particular volume is a professor at the *École des Sciences Politiques* and has been known for years as one of the foremost French political writers. These facts are worth noting, for the volume in question can hardly be described as anything but an uncritical and thoroughly nationalist presentation of the history of French foreign policy. It lacks the scholarly apparatus of footnotes, but it is perfectly clear that little attention has been paid to materials and writings in languages other than French, and it is equally obvious that no great effort has been made to see the other side of the question. The doctrine of the natural frontiers is blandly presented in undiluted form and French security is regarded as the question of supreme European importance, reminding one of the old saying: "When France has a cold, Europe sneezes." It need hardly be said that France's traditional enemy, Germany, comes off badly in a book which pictures the wars of Louis XIV as defensive. England does not fare much better; her insidious intrigues on the continent repeatedly interfered with the French plans. In short, the book, with its uncompromising viewpoint, will not help much in furthering the cause of international understanding.

FOCH SPEAKS. By Major Charles Bugnet. New York: Dial, 1929, 308 pp. $3.00.

A revealing character sketch of the Marshal, by his aid-de-camp.

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LES TROIS CRISES. By René Gillouin. Paris: Grasset, 1929.
An illuminating discussion of such questions as the Alsatian problem, the case of the *Action Française*, etc.

HISTORY OF FRENCH COLONIAL POLICY 1870–1925. By Stephen H. Roberts. London: King, 1929, two volumes, 42/.
An exhaustive and scholarly exposition, dealing with the economic and social as well as the purely political aspects.

NOS GRANDES PROBLÈMES COLONIAUX. By Georges Hardy. Paris: Colin, 1929, Fr. 9.
The director of the *École Coloniale* attempts to arouse more popular interest in the French colonial empire.

LA QUESTION CATALANE. By G. Brousse. Perpignan: Independent, 1928, 96 pp.
An excellent survey of a rather obscure question.

A HISTORY OF ITALY 1871–1915. By Benedetto Croce. New York: Oxford University Press, 1929, 333 pp. $5.00.
The Italian edition of this interesting book has already been noted.

ITALY. By Luigi Villari. London: Benn, 1929, 392 pp. 18/.
This is a volume in the *Modern World* series, and like the other volumes it devotes but little space to the history of the last century. The emphasis is laid on the war period and on post-war developments, so that the central theme becomes the rise of Fascism and the working of the Fascist régime. The author may be taken as one of the most capable exponents of the Fascist view, and his book makes good reading after Croce. Villari is inclined to take a practical view of the problem. For him the Risorgimento burned itself out and there was nothing strictly national to take its place. Liberalism of the English stamp, radicalism of the French type, German socialism, Russian bolshevism — all in his eyes were foreign importations and misfits so far as the Italian national genius was concerned. The pre-war system was corrupt and unworkable, and the victory of Fascism, a truly national product, was inevitable. There follow a number of good chapters on the Fascist system, the new syndicalism, foreign policy, and the problem of church and state. On the whole a stimulating volume.

VITA DI GIOLITTI. By an Ex-Deputato. Ferrara: Ghelfi, 1929, 262 pp. L. 8.
A critical historical study.

STORIA DELLA RIVOLUZIONE FASCISTA. By C. A. Chiurco. Florence: Vallecchi, 1929, five volumes, L. 100.
An elaborate history of the years 1919 to 1922, written from a Fascist standpoint.

MUSSOLINI, THE WILD MAN OF EUROPE. By John Bond. Washington: Independent Publishing Company, 1929, 206 pp. $2.50.
The title indicates the nature of the book.

EUROPA UND DER FASCISMUS. By Hermann Heller. Berlin: de Gruyter, 1929, 137 pp. M. 7.
An analysis of the Fascist state and the mentality that produced it, with an attempt to determine its value for Europe at large.

FASCISME EN AN VII. By Maurice Bedel. Paris: Nouvelle Revue Française, 1929, 122 pp. Fr. 35.
The author concerns himself chiefly with the reasons for the "mesentente cordiale" between France and Italy.

LA RICOSTRUZIONE FASCISTA DELLE FORZE ARMATE ITALIANE. By V. Varanini. Milan: Libreria d'Italia, 1929, 301 pp. L. 20.
One of the best accounts of the Italian military machine.

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L'ITALIE QUI VIENT. By Lucien Gennari. Paris: Tallandier, 1929, 256 pp. Fr. 12.
Exuberant.

POPOLI E PAESI. By Cornelio di Marzio. Rome: Tiber, 1929, 334 pp. L. 15.
Really an illuminating and unconventional discussion of the chief problems of Italian foreign policy.

RIVENDICAZIONI ADRIATICHE. By G. Benedetti. Milan: Libreria d'Italia, 1929, 238 pp. L. 10.
The Adriatic problem revived once again.

GLI ITALIANI IN TUNISIA ED IL PROBLEMA DELLA NATURALIZZAZIONE. By F. Bonura. Rome: Tiber, 1929, 176 pp. L. 12.
One of the few good systematic treatments of a serious Franco-Italian problem.

LINGUA ITALIANA, DIALETTO MALTESE E POLITICA BRITANNICA A MALTA. By E. Rossi. Livorno: Giusti, 1929, 118 pp. L. 7.50.
The book is evidence of the growing language difficulty in Malta.

PIO XI. By G. Frediani. Rome: Studium, 1929, 235 pp. L. 7.
A biography of the Pope, with much attention given to the recent settlement.

POPE OR MUSSOLINI. By John Hearley. New York: Macaulay, 1929, 256 pp. $2.50.
A former correspondent in Italy examines the future of Fascism and the Papacy.

THE POPE AND ITALY. By Wilfrid Parsons. New York: America Press, 1929, 144 pp. $1.50.
A review of the Roman question, the negotiations and the settlement, written from the Catholic standpoint.

LE PARTAGE DE ROME. By Pertinax. Paris: Grasset, 1929, 310 pp. Fr. 12.
This is one of the best of the numerous recent studies of the Roman Question. The author, the well-known political writer of the *Echo de Paris*, places the Lateran Treaties in their proper historical setting, showing them as a logical development in Vatican foreign policy during the last hundred years. Chapters are also set aside for a discussion of the personality and policy of the Pope, Cardinal Gasparri and Premier Mussolini. A final chapter reviews the relations of France with the Vatican and criticizes the French Government's "abdication" of influence. The work is fully documented throughout and shows both care and imagination. An appendix gives the text of the recent accords, as well as extracts from some of the earlier documents defining the temporal power of the Pope.

TREATY AND CONCORDAT BETWEEN THE HOLY SEE AND ITALY. Washington: National Catholic Welfare Conference, 1929, 82 pp.
An admirable edition of the agreements, printed in Italian and English, with several good photographs.

COME SI È RISOLTA LA QUESTIONE ROMANA. By E. Pucci. Rome: L'Osservatore Romano, 1929, 200 pp. L. 10.
An authoritative Catholic statement.

KAISER UND HEER. By Alfred Niemann. Berlin: Verlag für Kulturpolitik, 1929, 416 pp. M. 14.
An important book bearing on the constitutional position of the Emperor of Germany in relation to the army and more particularly on his position during the World War.

DER KAMPF UM DEN FRIEDEN. By Wolf von Dewall. Frankfurt: Frankfurter Societätsdruckerei, 1929, 244 pp. M. 6.80.
The fundamental problems of German foreign policy described, with stress on the necessity for Franco-German understanding.

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RECHT UND STAAT IM NEUEN DEUTSCHLAND. Edited by Bernhard Harms. Berlin: Hobbing, 1929, two volumes, M. 25.

A valuable series of lectures on the German constitution, economic and social legislation, and international relations, by such authorities as Driesch, Oncken, Jellinek, Stier-Somlo and Mendelssohn Bartholdy.

DEUTSCH ODER SLAVISCH. By Manfred Laubert. Berlin: Deutscher Ostbund, 1928, 182 pp. M. 3.50.

The trials and tribulations of the German minorities in the East.

Eastern Europe

28 ŘIJEN 1918. By F. Soukup. Prague: Orbis, 1928.

An eloquent account of the revolution of October 1918, by a socialist leader.

TEN YEARS OF CZECHOSLOVAK POLITICS. By J. Borovicka. Prague: Orbis, 1929, 131 pp. 2/6.

An excellent brief handbook recounting how the state was established and giving the principal facts of its post-war history.

LA RIFORMA FONDIARIA IN CECOSLOVACCHIA. By P. Albertario. Piacenza: Federazione Italiana dei Consorzi Agrari, 1929, 230 pp. L. 22.

A scholarly analysis of the important agrarian reforms in Czechoslovakia.

LA HONGRIE DE DEMAIN. By Aldo Dami. Paris: Delpeuch, 1929, 230 pp. Fr. 20.

Sharp criticism of the revisionist program.

LA REVISION DU TRAITÉ DE TRIANON. By Emile Hasas. Paris: Picart, 1928, 182 pp.

A not exactly profound analysis of Hungarian policy, by a Rumanian.

FORMATION DE LA FRONTIÉRE ENTRE LA POLOGNE ET LA TCHÉCOSLOVAQUIE. By Stanislas Raubal. Paris: Presses Modernes, 1928, 189 pp.

A thesis dealing with a particularly knotty post-war problem. The important documents are reprinted.

JOSEPH PILSUDSKI. By Jacques de Carency. Paris: Renaissance du Livre, 1929, 279 pp.

Pilsudski as the incarnation of the Polish spirit. A moderate biographical study, based in large part upon Polish material.

PILSUDSKI. By Sigismond S. Klingsland. Paris: Kra, 1929, 186 pp.

Rhapsodical.

LA POLOGNE, L'ALLEMAGNE ET LE "CORRIDOR." By Casimir Smogorzewski. Paris: Gebethner and Wolff, 1929, 128 pp. Fr. 9.

A prominent and well-posted Polish publicist proves to the satisfaction of the Poles the justice of their claims, and the corresponding untenability of the German viewpoint.

THE POLISH CORRIDOR AND THE CONSEQUENCES. By Sir Robert Donald. London: Butterworth, 1929, 302 pp. 12/6.

The author of *The Tragedy of Trianon*, much criticized for its bias, takes up another European problem.

DIE BALTISCHEN STAATEN UND DAS VOELKERRECHT. By Gregor Rutenberg. Riga: Löffler, 1929, 156 pp. M. 5.65.

Chiefly a study of the international complications attending the establishment of the Baltic states.

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FINLAND—THE REPUBLIC FARTHEST NORTH. By Eugene Van Cleef. Columbus: Ohio State University Press, 1929, 235 pp. $2.50.

A well-written anthropo-geographical study of the history and life of the Finns.

A HISTORY OF RUSSIA. By George Vernadsky. New Haven: Yale University Press, 1929, 416 pp. $4.00.

A moderate and readable narrative, stressing the later period, rather weak in the discussion of foreign affairs, and not much given to philosophizing.

THE CO-OPERATIVE MOVEMENT IN RUSSIA DURING THE WAR. By Eugene M. Kayden and Alexis N. Antsiferov. New Haven: Yale University Press, 1929, 420 pp. $4.00.

A recent volume in the Carnegie History, dealing exhaustively with one of the most important phases of Russian domestic history.

NEARING THE END IN IMPERIAL RUSSIA. By George T. Marye. Philadelphia: Dorrance, 1929, 479 pp. $4.00.

The contemporary notes and impressions of the American ambassador to Russia from 1914 to 1916.

DALL'IMPERO DEGLI ZAR AL GOVERNO DEI SOVIETI. By M. Malatesta. Rome: Tiber, 1929, L. 15.

The first volume of a pretentious study of the Russian Revolution.

LE COUP D'ÉTAT BOLCHÉVISTE. By Serge Oldenbourg. Paris: Payot, 1929, 527 pp. 1.

A very useful collection of documents bearing on the November revolution.

L'AVENTURE DE L'AMIRAL KOLTCHAK. By General J. Rouquerol. Paris: Payot, 1929, Fr. 20.

A valuable military study of an important chapter of the Russian civil war.

LEONID KRASSIN. By Lubov Krassin. London: Skeffington, 1929, 284 pp. 21/.

The late Russian trade envoy is pictured by his widow as a true Russian patriot and Bolshevik *malgré lui*. A book of considerable interest and value.

LA REVOLUTION RUSSE, LE BOLCHÉVISME. By Jean Lescure. Paris: Gamber, 1929, 356 pp. Fr. 25.

Primarily a study of communism and the Nep.

RUSSIA UNDER THE RED FLAG. By G. M. Godden. London: Oates, 1929, 194 pp. 4/6.

The horrors of the Bolshevik régime luridly presented.

RUSIA A LOS DOCE AÑOS. By Julio Alvarez del Vayo. Madrid: Espasa-Calpe, 1929, 162 pp.

A sympathetic portrayal of the Russian scene.

DAS VOELKERRECHT DER ÜBERGANGSZEIT. By E. A. Korowin. Berlin: Rothschild, 1929, 142 pp. M. 12.

A German translation of one of the best Russian studies of foreign policy under the Soviets.

RELIGION IN SOVIET RUSSIA. By William C. Emhardt. Milwaukee: Morehouse, 1929, 405 pp. $4.00.

The struggle between church and state as seen from an anti-Bolshevik standpoint.

LE RÉGIME DES CONCESSIONS EN RUSSIE SOVIÉTIQUE. By M. Hwamgjen. Paris: Gamber, 1929, 112 pp. Fr. 15.

The concessions problem in its juridical, administrative and economic aspects.

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DIE PLANWIRTSCHAFTLICHEN VERSUCHE IN DER SOVIETUNION. By Friedrich Pollock. Leipzig: Hirschfeld, 1929, 411 pp. M. 13.50.

One of the best general accounts of the economic experiments of the Bolsheviks.

VOICI CE QU'ON A FAIT DE LA GÉORGIE. By Henri Barbusse. Paris: Flammarion, 1929, 324 pp. Fr. 12.

The famous French writer, now a convert to Bolshevism, finds everything thoroughly satisfactory on a trip through Georgia.

I POPOLI BALCANICI. By O. Randi. Rome: Cremonese, 1929, 177 pp. L. 6.50.

One of the best Italian surveys of the Balkan states.

LES EFFETS ÉCONOMIQUES ET SOCIAUX DE LA GUERRE EN GRÈCE. By A. Andreades and others. New Haven: Yale University Press, 1929, 324 pp.

A volume in the Carnegie series which throws much light on the non-political aspects of the Greek problem.

The British Commonwealth of Nations

BRITISH DOCUMENTS ON THE ORIGINS OF THE WAR, 1899–1914. Edited by G. P. Gooch and Harold Temperley. Volume IV: The Anglo-Russian Rapprochement, 1903–1907. London: H. M. S. O., 1929, 12/6.

The entente between England and France of 1904 laid the basis for the moral obligations which involved England in the Franco-German antagonism, but the agreement with Russia of 1907 was to prove, if anything, more disastrous, because it brought England into the more acute Austro-Russian antagonism in the Balkans and put her to a certain degree at the mercy of a diplomacy which was at times unaccountable and unscrupulous. About the negotiations for this important agreement there has been little authentic information, apart from the fragments to be found in Grey's memoirs. This fourth volume of the British documents cannot be said to contain many revelations or even outstanding documents, but it does give a complete picture of the circumstances out of which the agreement grew, and of the difficulties in the way of successful negotiation. That the entente was formed under the direction of a Liberal government will continue to be a marvel, and that the agreement in its final form contained no provisions for the settlement of Near Eastern questions is one of its anomalies. The volume contains excellent chapters on the Thibetan, Persian and Afghan questions, together with interesting information on the English attitude towards the problem of the Straits. It is edited throughout with the same scrupulous care which characterized the earlier volumes.

THE ENGLISH KING. By Michael MacDonagh. London: Benn, 1929, 318 pp. 10/6.

A rather popular study of the monarchy and the royal family in its historical, constitutional and social aspects.

THE BRITISH EMPIRE SINCE 1783. By A. P. Newton and J. Ewing. London: Methuen, 1929, 280 pp. 5/.

A general survey, with attention to economic as well as political factors.

THE SPLENDID ADVENTURE. By the Rt. Hon. W. M. Hughes. London: Benn, 1929, 456 pp. 21/.

The Australian statesman writes in his usual vigorous style about Empire relations, and finds much to criticize in the policy of the home government.

PARLIAMENT AND THE BRITISH EMPIRE. By Robert L. Schuyler. New York: Columbia University Press, 1929, 285 pp. $3.75.

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A scholarly review of some famous disputes in regard to the legislative authority of parliament in colonial affairs, followed by an analysis of the present situation.

ENGLAND AND THE NEW GOLD STANDARD. By William A. Brown, Jr. New Haven: Yale University Press, 1929, 338 pp. $4.00.

A technical study of the evolution of the new gold standard, covering the years 1919 to 1926.

DIE ENGLISCHEN RÜSTUNGSAUSGABEN SEIT DEM WELTKRIEGE. By Elisa Fiedler. Leipzig: Akademische Verlagsgesellschaft, 1929, 97 pp. M. 8.

A reliable account of English expenditures on armaments, compared with those of other nations.

THE STATUTE LAW OF THE IRISH FREE STATE. By the Hon. Mr. Justice Hanna. Dublin: Thom, 1929, 101 pp. 12/6.

A most convenient review of the legislative activity of the new state since 1922.

STUDIES IN AUSTRALIAN AFFAIRS. Edited by P. Campbell. New York: Macmillan, 1929, 270 pp.

A survey of the most urgent problems by a group of authoritative writers.

AN ENGLISHMAN DEFENDS MOTHER INDIA. By Ernest Wood. Madras: Ganesh, 1929, 458 pp. 7/6.

An elaborate but not entirely convincing series of studies of Hindu life and politics.

FEDERAL FINANCE IN INDIA. By K. T. Shah. London: King, 1929, 334 pp. 12/6.

A semi-popular lecture, delivered at Patna University.

The Near East

ISLAM. BELIEFS AND INSTITUTIONS. By Henri Lammens. London: Methuen, 1929, 256 pp. 8/6.

The English translation of an encyclopedic study by a leading French authority.

EUROPEAN FINANCIAL CONTROL IN THE OTTOMAN EMPIRE. By Donald C. Blaisdell. New York: Columbia University Press, 1929, 243 pp. $3.00.

This book stands out prominently from the mass of ephemeral political writings on the Near East, for it is a serious scholarly study of one of the most important phases of European activity in the Ottoman Empire in the period prior to the war. Basing his narrative upon the materials in the archives of the Ottoman Public Debt Commission, hitherto unpublished, and upon other new information, the author traces the financial history of the Empire and the methods taken by the European governments to protect creditors. While recognizing the efficiency and integrity of the commission, the writer lays due stress upon the imperialistic aspects of the control, and leaves the reader in no doubt as to the reasons for the flat rejection of this solution by the victorious Turks. The book should be read not only by those interested in Near Eastern history, but by all students of international relations, political or economic.

MUSTAPHA KEMAL, OU LA RÉNOVATION DE LA TURQUIE. By Jean Melia. Paris: Fasquelle, 1929, Fr. 12.

A sympathetic study of the dictator and of his reforming activities, by the former director of the French commissariat in Syria.

THE ARAB'S PLACE IN THE SUN. By Richard Coke. London: Butterworth, 1929, 318 pp. 21/.

A succinct history of the Arabs, emphasizing the more recent period and the contacts with European imperialisms.

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ELECTRONIC REPRODUCTION PROHIBITED

YOLJULUK. RANDOM THOUGHTS ON A LIFE IN IMPERIAL TURKEY. By William N. Chambers. London: Simpkin, Marshall, 1929, 125 pp. 3/6.

Memoirs of more than thirty years of missionary activity in Armenia and Kurdistan.

THE FRINGE OF THE MOSLEM WORLD. By Harry A. Franck. London: Methuen, 1929, 426 pp. 12/6.

A severe criticism of the French régime in Syria and of the new Turkey, police-ridden and militarist.

THE NEAR EAST AND AMERICAN PHILANTHROPY. By Frank A. Ross and others. New York: Columbia University Press, 1929, 321 pp. $3.50.

An important survey of conditions in all the countries of the Near East, drawn up under the auspices of Near East Relief as a basis for a program of further work.

Africa

LE FEU D'ARTIFICE MAROCAIN. By René Chavagnes. Paris: Delpeuch, 1929, 162 pp. Fr. 10.

The reverse side of the Moroccan medal, and a not very edifying picture of recent events.

The Far East

LA RÉVOLUTION CHINOISE. By Chen Fou Choen. Paris: Alcan, 1929, Fr. 20.

One of the less passionate of the many recent studies of complications in modern China.

THE UNEQUAL TREATIES. By Rodney Gilbert. London: Murray, 1929, 248 pp. 9/.

A book that should not be ignored by the champions of the Chinese nationalists. The author reviews the contacts of China with the foreigner since the eighteenth century and examines with particular care the circumstances under which the various treaties were concluded. Their object, he points out, was not to put China into a position of subjection, but to enforce from the Chinese Government a recognition of the equality of the foreigner. They were not unfair agreements and were absolutely essential for the development and safeguarding of legitimate trading interests. Conditions have not changed materially, and the treaties are still "a feeble barrier between commerce and chaos." The author considers that the agitation for abrogation of the agreements is being carried on chiefly by those who desire a free hand for ruthless exploitation, and consequently the abolition of the treaties would be a disaster for the Chinese masses as well as for European interests.

LES TRAITÉS INÉGAUX DE LA CHINE ET L'ATTITUDE DES PUISSANCES. By Chang Chung Tao. Paris: Riviére, 1929, 216 pp. Fr. 25.

The conventional nationalist view of the treaties.

HISTOIRE DE LA CONCESSION FRANÇAISE DE CHANGHAÏ. By C. B. Maybon and J. Fredet. Paris: Plon, 1929, Fr. 60.

This is an authoritative history, written by two high French officials and published under the auspices of the French foreign office.

REPORT ON PROGRESS IN MANCHURIA. Dairen: South Manchurian Railway, 1929, 238 pp.

A handsomely illustrated report covering the years 1907 to 1928 and setting forth the accomplishments of the railway company.

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MODERN MANCHURIA AND THE SOUTH MANCHURIA RAILWAY. By H. W. Kinney. London: Kegan Paul, 1929, 99 pp. 6/6.

Another timely volume on the work of the railway.

THE EFFECT OF THE WORLD WAR UPON THE COMMERCE AND INDUSTRY OF JAPAN. By Kakujiro Yamasaki and Gotaro Ogawa. New Haven: Yale University Press, 1929. 345 pp. $4.00.

An admirable volume in the Carnegie Series containing a wealth of statistical material.

LE PACIFIQUE ET LA RENCONTRE DES RACES. By André Dubosc. Paris: Fayard, 1929, 125 pp. Fr. 6.50.

The author tells of the clash between the yellow races and American interests.

Latin America

LE CODE DE DROIT INTERNATIONAL PRIVÉ ET LA SIXIÈME CONFÉRENCE PANAMÉRICAINE. By Antonio S. de Bustamente y Sirven. Paris: Sirey, 1929, 226 pp.

The translation of an important book by the prominent Cuban jurist; the larger part is taken up by the record of the proceedings of the conference.

EL MUNDO DE HOY. LA REVOLUCIÓN MEJICANA; SUS ORIGINES, SUS HOMBRES, SU OBRA. By Luis Araquistain. Madrid: Renacimiento, 1929, 356 pp. Pes. 5.

A very sympathetic account of the revolution. The author, one of the foremost Spanish political writers, stresses its agrarian aspects and the fight against the exploitation of the Indian, besides dealing with the struggle against privilege and the church.

LA LIGA DE LAS NACIONES, SU ORIGEN Y LA OBRA REALIZADA EN LA REPUBLICA ARGENTINA. By Juan B. Sivori. Buenos Aires: Roldán, 1928, 588 pp. Pesos 12.

An interesting record of the work carried on by proponents of the League in Argentina.

Miscellaneous

FRONTIERS OF HOPE. By Horace M. Kallen. New York: Liveright, 1929, 452 pp. $3.00.

Unusually penetrating travel impressions, dealing primarily with the position of the Jews in the Near East, in Poland and in Russia.

FOREIGN BANKING SYSTEMS. Edited by Henry P. Willis and Benjamin H. Beckhart. New York: Holt, 1929, 1311 pp. $7.50.

An encyclopedic survey.

INTERNATIONAL GOLD MOVEMENTS. By Paul Einzig. New York: Macmillan, 1929, 114 pp. $2.40.

A valuable monograph by the foreign editor of *The Financial News*.

A PICTURE OF WORLD ECONOMIC CONDITIONS AT THE BEGINNING OF 1929. New York: National Industrial Conference Board, 1929, 253 pp.

A survey, by experts, of conditions in twenty-one foreign countries and the United States, followed by special articles from some leading authorities.

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SOURCE MATERIAL

By Denys P. Myers

PUBLIC DOCUMENTS OFFICIALLY PRINTED

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents Washington, D. C. *Great Britain:* British Library of Information, 5 East 45th St., New York. *France:* Terquem, 14 rue Séguier, Paris. *League of Nations, Int. Labor Office and Perm. Court of Int. Justice:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted.

ARBITRATION AND CONCILIATION

CONVENTION between the United States and other American Republics Inter-American Conciliation. Signed at Washington, January 5, 1929. Washington, 1929. 19 p. 23¼ cm. (Treaty Series No. 780.)

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TREATY between the United States and France. Arbitration. Signed at Washington, February 6, 1928. Washington, 1929. 6 p. 23¼ cm. (Treaty Series, No. 785.)

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CONCILIACION Y Arbitraje En America. Documentos relativos á la discusión de estas materias en la Sexta Conferencia Internacional de Estados Americanos celebrada en La Habana en 1928, hasta llegar á la adopción unánime de la Resolución por la cual se accordó la reunión en Washington de la Conferencia Internacional de Estados Americanos sobre Conciliación y Arbitraje. Compilación hecha por el Doctor Ricardo J. Alfaro. Washington, 1928. 112 p. 27½ cm.

CONFERENCIA Internacional Americana de Conciliacion Y Arbitraje. Informe de los delegados de Mexico, Señores Licenciados Fernando Gonzalez Roa y Benito Flores. Mexico, Imprenta de la Secretaria de Relaciones Exteriores, 1929. 66 p. 21½ cm.

BOLIVIA-PARAGUAY

[The titles below of documentation on the Chaco dispute are furnished by the Bolivian and Paraguayan legations at Washington.]

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REPÚBLICA DE BOLIVIA. Ministerio de relaciones exteriores y culto. Actas y documentos de las conferencias de plenipotenciarios Bolivianos y Paraguayos realizadas en Buenos Aires bajo los auspicios del Gobierno Argentino, La Paz, Escuela tipografia salesiana, 1929. 213 p. 26½ cm.

———. MINISTERIO de relaciones exteriores. Notas y el memorandum de Bolivia contra el tratado de arbitraje Argentino-Paraguayo de 1876. La Paz, Escuela tipografica salesiana, 1929. 64 p. 21 cm.

LA EXTENSIÓN territorial del Paraguay al occidente de su rio. Breve exposición de los titulos paraguayos. Por Don Fulgencio R. Moreno, miembro de la Comisión asesora de límites. Asuncion, Imprenta Ariel, 1925. 88 p. 26½ cm. (Ministerio de Relaciones Exteriores.)

LIBRO BLANCO. Documentos relativos à las Conferencias de Buenos Aires sobre la cuestión de límites paraguayo-boliviana y algunos antecedentes, 1927–1928. Asunción, Imprenta Nacional, 1928. 219 p. 28¼ cm. (República del Paraguay, Ministerio de Relaciones Exteriores.)

PARAGUAY. Ministerio de relaciones exteriores. Paraguay-Argentina. La cuestión del Rio Pilcomayo. Asuncion, Imprenta nacional, 1927 58 p.

PARAGUAY-BOLIVIA. Cuestión de límtes; exposición del R. Ibarra. Asuncion, Imprenta nacional, 1924, 20 p.

PARAGUAY-BOLIVIA. Protocolos y notas cambiadas. Asuncion, Imprenta nacional, 1927. 40 p.

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PARAGUAY-BOLIVIA. La Audiencia de Charcas. Refutación á todos los abogados de Bolivia, que fundan los hipotéticos derechos de su patria sobre el Chaco boreal en una supuesta jurisdicción administrativa de ese alto tribunal de apelación. Por Raúl del Pozo Cano. Asunción, Imprenta Sudamericana, 1926. 70 p. 18 cm.

———. CONTRARRÉPLICA del Dr. Manuel Dominguez al conferencista boliviano Dr. Cornelio Rios. Conferencias dadas en el Teatro Nacional de la Asunción. [Asunción], Imprenta Nacional, 1925, 50 p. 26¼ cm.

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MERCADO MOREIRA, Miguel. El Chaco boliviano. (Anotaciones al alegato paraguayo.) Cochabamba, Editorial Lopez, 1928. vii, 164 p. 21 cm.

CHAVEZ S., Medaro. Dilucidaciones históricas sobre el Chaco. La Paz, Imprenta Renacimiento, 1929. xii, 171 p. 20 cm.

DAZA, Julio Oroza. Conflicto boliviano-paraguayo. Paginas para la historia. Los ataques á los fortines Vanguardia y Boquerón. La responsibilidad del agresor. ¿Quien tiene la razón? Buenos Aires, 1929. 128 p., map. 20 cm.

DESCRIPCIÓN de la Nueva Provincia de Otuquis en Bolivia. Segunda edición corregida y aumentada por Mauricio Bach, secretario de la misma provincia, con permiso del empresario año de 1842. Reimpresión publicada en 1885 por el Dr. Antonio Quijarro. Tercera edición, 1929. La Paz, Lit. e Imp. "Unidas," 1929. xvii, 41 p., maps. 25 cm.

THE BOLIVIA-PARAGUAY Strife (?Washington, 1929.) 22 p. 22½ cm.

CHINA

CHINA'S Struggle for Tariff Autonomy. By Edward Bing-Shuey Lee, with an introduction by Dr. Chengting T. Wang, Minister for Foreign Affairs National Government of the Republic of China, and a preface by T. V. Soong, Minister of Finance. China, International Relations Committee, 90 p. 19 cm. (International Relations Series.)

THE CHINA FOUNDATION for the Promotion of Education and Culture. Third Report. Peiping, 1929. 47 p. 22½ cm.

CHINA. Treaties, etc., 1928. Sino-foreign treaties of 1928. Peking, Leader press, 1929. 52 p.

TREATY between His Majesty and the President of the Chinese Republic together with other Documents relating to the Chinese Customs Tariff, etc. Nanking, December 20, 1928. London, 1929. 12 p. 24½ cm. (Treaty Series No. 10 (1929), Cmd. 3319.) 3d net.

CODIFICATION OF INTERNATIONAL LAW

PROGRESSIVE Codification of International Law. Report by the Committee of Three Jurists appointed by the Council on December 14, 1928. Geneva, 1929. 7 p. 33 cm. (League of Nations, A. 12, 1929. V. 6.)

CONFERENCE for the Codification of International Law. Draft Rules of Procedure. Geneva, 1929. 4 double p. 33 cm. (League of Nations, C. 190 (1). M. 93. 1929. V. 7.)

———. BASES of Discussion drawn up for the Conference by the Preparatory Committee. Vol. I — Nationality. Geneva, 1929. 211 double p. 33 cm. (League of Nations, C. 73. M. 38. 1929. V. 1.)

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——— ———. Vol. III — Responsibility of States for Damage Caused in their Territory to the Person or Property of Foreigners. Geneva, 1929. 253 double p. 33 cm. (League of Nations, C. 75. M. 69. 1929. V. 3.)

CONFERENCE for the Codification of International Law. Territorial Waters. Resolution adopted by the Advisory and Technical Committee for Communications and Transit. Geneva, 1929. 1 p. 33 cm. (League of Nations, C. 218 (1). M. 96. 1929. V. 11.)

COMMERCE AND TRADE

RECOMMENDATIONS of the Economic Committee Relating to Commercial Policy. Geneva, 1929. 14 p. 33 cm. (League of Nations, C. 138. M. 53. 1929. II. 15.)

ECONOMIC Organisation. Report of the Economic Consultative Committee on its Second Session, held in Geneva from May 6 to 11, 1929. Geneva, 1929. 37 p. 26½ cm. (League of Nations, C. 192. M. 73. 1929. II. 23.) $0.40.

MEMORANDUM on International Trade and Balances of Payments, 1913–1927. Vol. II. Trade Statistics of 64 Countries. Geneva, 1928. 321 p. 27 cm. (League of Nations, 1928. II. 53 ii.) $3.00.

ECONOMIC and Financial Section. Memorandum on Production and Trade 1913 and 1923–1927. Geneva, 1929. 79 p. 26¼ cm. (League of Nations, 1929. II. 13.) 50 cents.

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ECONOMIC Organisation. The Problem of the Coal Industry. Interim Report on its International Aspects by the Economic Committee of the League of Nations. Geneva, 1929. 49 p. 26½ cm. (League of Nations, C. 150. M. 58. 1929. II. 19.)

COUNTERFEITING

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COURT OF INTERNATIONAL JUSTICE, PERMANENT

COLLECTION of Judgments. Denunciation of the Treaty of November 2, 1865, between China and Belgium. Case Concerning the Factory at Chorzów (Indemnities). Orders of May 25, 1929. 15 double p. 24 cm. (Publications of the Permanent Court of International Justice, Series A — Nos. 18/19.)

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DOMINICAN FINANCES

DOMINICAN Economic Commission. Report of Dominican Economic Commission. Chicago. The Lakeside press, 1929. 157 p.

EGYPT

EXCHANGE of Notes between His Majesty's Government in the United Kingdom and the Egyptian Government in regard to the Use of the Waters of the River Nile for Irrigation Purposes. Cairo, May 7, 1929. London, 1929. 50 p. (seven diagrams.) 24½ cm. (Treaty Series No. 17 (1929), Cmd. 3348.) 2s. od. net.

ELECTRIC COMMUNICATION

ARRANGEMENT effected by Exchange of Notes between the United States and the Dominion of Canada Governing Radio Communications between Private Experimental Stations. Signed October 2, 1928. Washington, 1929. 4 p. 23¼ cm. (Treaty Series No. 767-A.)

REPORT of the American Delegation to the International Telegraph Conference of Brussels, September 10–22, 1928, accompanied by a translation of documents of the Conference as published by the International Office of the Telegraph Union and other related documents. Washington, 1929. 214 p. 23 cm.

ITALY-SERB-CROAT-SLOVENE STATE

ESECUZIONE degli Atti di Belgrado fra il Regno d'Italia ed il Regno dei Serbi, Croati e Sloveni. Esecuzione della Convenzione contro le epizoozie, fra il Regno d'Italia ed il Regno dei Serbi, Croati e Sloveni, e del relativo Protocollo finale, firmati in Belgrado il 12 agosto 1924. Esecuzione degli Accordi e Convenzioni fra il Regno d'Italia ed il Regno dei Serbi, Croati e Sloveni, firmati a Nettuno il 20 luglio 1925. (Supplemento ordinario alla "Gazzetta Ufficiale" del Regno d'Italia, n. 234 dell'8 ottobre 1928 (VI), Numero di pubblicazione 2642–2644. Regio Decreto-Legge 31 agosto 1928, n. 2173–2175.) 6.20 lire.

The 57 treaties, conventions, agreements and exchanges of notes included in this document were signed between April 6, 1922, and July 20, 1925, most of them in January, July and August, 1924. Together they settle many outstanding problems between Italy and the Serb-Croat-Slovene Kingdom. Some of them deal with the special situations at Fiume, Zara and Sussak.

LABOR

INTERNATIONAL Labour Conference. Eleventh Session. Geneva, International Labour Office, 1928. 2 vols. 468, 773 p. 31½ cm.

INTERNATIONAL Labour Conference. Twelfth Session. Report Of The Director, Second Part. Summary of Annual Reports under Article 408. Geneva, International Labour Office, 1929. 227 p. 31 cm.

HYDRO-EXTRACTORS. Their Safe Construction And Equipment. Geneva, International Labour Office, 1929. 102 p. 24 cm. (Studies and Reports, Series F, Second Section (Safety), No. 3.) $1.00.

LEAGUE OF NATIONS

RECORDS of the Ninth Ordinary Session of the Assembly. Plenary Meetings. Text of the Debates. Geneva, 1928. 544 p. 34 cm. (League of Nations *Official Journal*, Special Sup. No. 64.)

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———. Meetings of the Committees. Minutes of the First Committee. (Constitutional and Legal Questions.) Geneva, 1928. 144 p. 33 cm. (League of Nations *Official Journal*, Special Sup. No. 65.)

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——— ———. Minutes of the Fourth Committee. (Budget and Financial Questions.) Geneva, 1928. 202 p. 33 cm. (League of Nations *Official Journal*, Special Sup. No. 68.)

——— ———. Minutes of the Fifth Committee. (General and Humanitarian Questions.) Geneva, 1928. 110 p. 33 cm. (League of Nations *Official Journal*, Special Sup. No. 69.)

——— ———. Minutes of the Sixth Committee. (Political Questions.) Geneva, 1928. 48 p. 33 cm. (League of Nations *Official Journal*, Special Sup. No. 70.)

REPORT on the Work of the League since the Last Session of the Assembly. Geneva, 1929. 129 p. 33 cm. (League of Nations, A. 6. 1929. 2.)

SECRETARIAT and Special Organisations. International Labour Organisation, Permanent Court of International Justice, Staff Provident Fund. Audited Accounts for the Tenth Financial Period (1928) and reports thereon by M. A. Ceresa, Auditor. Geneva, 1929. 84 p. 33 cm. (League of Nations, A. 3. 1929. X. 1.)

MOVING PICTURES

INTERNATIONAL Review of Educational Cinematograph. Monthly Publication of the International Educational Cinematographic Institute, League of Nations. Rome, 1929– .23 cm.

The organ of the institute established by the League of Nations. Issued in five language editions: English, Italian, French, German and Spanish.

PASSPORTS

ADVISORY and Technical Committee for Communications and Transit. Action Taken by Governments on the Recommendations Adopted by the Second Conference on the International Régime of Passports. Geneva, 1929. 57 p. 23 cm. (League of Nations, C. 133. M. 48. 1929. VIII. 4.)

PRESS

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RENUNCIATION OF WAR

TREATY between the United States and Other Powers providing for the Renunciation of War as an Instrument of National Policy. Signed at Paris, August 27, 1928. Washington, 1929. 5 p. 23¼ cm. (Treaty Series, No. 796.)

ADDRESS of President Hoover on the Occasion of the Proclamation of the General Pact for the Renunciation of War at the White House, Wednesday, July 24, 1929. Washington, 1929. 3 p. 23¼ cm.

REPARATION

REPORT of the Committee of Experts on Reparations. London, 1929. 69 p. 24½ cm. (Cmd. 3343.) 1s. 3d. net.

"EXPERTS' Report on Reparation," Summary and Text, *Federal Reserve Bulletin*, July 30, 1929. p. 458.

Also separately reprinted.

REPORT of the Agent General for Reparation Payments. Berlin, July 1, 1929. 178 p. 24¼ cm.

WORLD WAR, ORIGIN

BRITISH Documents on the Origins of the War, 1898–1914. Edited by G. P. Gooch and Harold Temperley. Vol. IV. The Anglo-Russian Rapprochement 1903–7. London, 1929. 656 p. 28 cm. 12s. 6d.

FRANCE. Ministère des Affaires Étrangères. Documents français sur les origines de la Guerre de 1914–1918. IIIème Partie (1911–1914). Tome ler (4 Novembre 1911–7 Février 1912). Publié par les soins de la Commission de publication des documents relatifs aux origines de la guerre de 1914–1918. Paris: Imprimerie Nationale; L'Europe Nouvelle, Librairie éditeur, 1929–. Pp. xxxi, 657. 80 fr.

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ARMS, EXPORTATION OF — China, cancelation of the embargo agreement of May 5, 1919, S. D. 611, May 1.
Mexico, Presidential proclamation raising embargo on shipment of arms and munitions to Mexico, in force since Jan. 7, 1924, S. D. 612, July 19.
Honduras and Nicaragua, Presidental proclamations of May 15, 1924, and Sept. 15, 1926, revised, S. D. 613, May 10.
CANADIAN SEIZURE — Reported seizure by Canadian authorities of five American fishing vessels, S. D. May 15.
COMMISSIONS, CONFERENCES, CONGRESSES — Acceptance of invitation and delegation to extraordinary session of the International Commission for Air Navigation, S. D. 615, May 8.
Appointments to Permanent Commission of International Road Congresses, S. D. 616, May 29.
Observers at the International Life Saving Federation Congress, S. D. 617, May 29.
Appointment of delegates to World Engineering Congress, S. D. 618, June 4.
Delegates to International Chamber of Commerce, S. D. 619, June 12.
Delgates to Second Pan American Highway Conference, S. D. 621, June 15.
American delegation to the Conference for the Revision of the Geneva Convention of 1906 and for framing of a code for the treatment of prisoners of war, S. D. 622, June 19.
Agenda for the Hague Conference of International Technical Consulting Committee on Radio Communication, S. D. 623, June 22.
Delegates to International Conference on Commercial Education, S. D. 624, June 28.
Meeting of International Water Commission, United States and Mexico, S. D. 626, July 30.
Delegates to First General Assembly of Pan American Institute of Geography and History, S. D. 627, Aug. 2.
CUBA — Award of Clarence Hale, arbitrator in the claim of Walter Fletcher Smith vs. Compania Urbanizadora del Parque y Playa de Marianao, S. D. 628, May 16.
DENMARK — Exemption from taxation in Denmark of U. S. motor cars and trailers to same, used by persons going to Denmark from abroad, S. D. 629, June 17.
FRANCE — Situation of American motion picture interests in France, S. D. 631, June 8.
GREECE — Excursionists in Greece of Greek origin not subject to military obligations, S. D. 634, July 8.
IMMIGRATION — Status of Quotas, S. D. 635, May 21; S. D. 636, June 22; S. D. 636a, July 26.
JAPAN — Opening of Do-ai Memorial Hospital at Tokyo, S. D. 637, June 26.
Scholarship fund in memory of late Edgar A. Bancroft, formerly American ambassador to Tokyo, S. D. 638, June 26.
NICARAGUA — Proposed survey of Nicaraguan canal route, S. D. 639, June 20.
POLAND — Polish law of March 23 concerning filing declarations for conversion of savings deposits made in currencies of full value, S. D. 641, July 27.
REDUCTION OF NAVAL ARMAMENT — Statement by Secretary of State, in connection with the President's Memorial Day speech at Arlington, S. D. 642, May 31.
Statement by Secretary of State, on meaning of parity, S. D. 643, July 25.
REPARATION — Statement of Secretary of State, attitude toward International Bank, S. D. 644, May 16.
SERBS-CROATS-SLOVENE STATE — Remarks of new minister, Dr. Leonid Pitamic, upon presentation of letter of credence, S. D. 645, May 24.
SIAM — Remarks of new minister, Maj. Gen. Prince Amoradat Kridakara, upon presentation of letter of credence, S. D. 646, May 29.
SMUGGLING — Correspondence with Canada, commercial smuggling across the border, S. D. 647, May 15.
TACNA-ARICA — Announcement by President of agreement between Chile and Peru, S. D. 649, May 17.
Telegrams, exchange of ratifications of the treaty, S. D. 650, Aug. 1.
TARIFF — Memoranda exchanged with Japan, revision of tariff on lumber in Japan, S. D. 651, May 15.
Statement of Secretary of State, reported protest by Canadian minister against proposed schedules on shingles, lumber and feeder cattle, S. D. 652, July 13.
PASSPORTS — Agreement with France, reduction of visa fees, S. D. 656, May 15.
Adequate Oath — Dorothy Detzer case — letter to H. Ralph Burton from Wilbur J. Carr, assistant Secretary of State, S. D. 657, July 23.
WAR, RENUNCIATION — Luncheon to be given by President after ceremony of proclamation of treaty, S. D. 658, July 15.
Telegram from Secretary of State, to Minister for Foreign Affairs, Briand, on going into effect of treaty, S. D. 659, July 24.
Telegram from M. Briand, S. D. 662, July 25.
Telegrams of felicitation, S. D. 660, July 24.
Note addressed to Foreign Offices regarding treaty, S. D. 661, July 25.

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